

SYRACUSE CITY CORPORATION

Syracuse, Utah



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2018

SYRACUSE CITY CORPORATION

Syracuse, Utah

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

Prepared by:

Stephen Marshall, CPA
Administrative Services Director

SYRACUSE CITY
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2018

Elected Officials

Michael Gailey-----	Mayor
Andrea Anderson-----	City Councilmember
Corinne Bolduc-----	City Councilmember
Doug Peterson-----	City Councilmember
Dave Maughan-----	City Councilmember
Jordan Savage-----	City Councilmember

Executive, Legal and Budgetary Officials

Brody Bovero-----	City Manager
Paul Roberts-----	City Attorney
Stephen Marshall-----	Budget Officer

Statutory Appointed Officials

Garret Atkin-----	Chief of Police
Cassie Z. Brown-----	City Recorder
Brody Bovero-----	City Treasurer
Robert Whiteley-----	City Engineer

Department Directors

Noah Steele-----	Community & Economic Development
Stephen Marshall-----	Administrative Services Director
Aaron Byington-----	Fire Chief
Catherine Hoskins-----	Justice Court Judge
Kresta Robinson-----	Parks & Recreation Director
Robert Whiteley-----	Public Works Director

SYRACUSE CITY TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal -----	1
Certificate of Achievement for Excellence in Financial Reporting -----	4
Organizational Chart -----	5

FINANCIAL SECTION

Independent Auditor's Report -----	6
Management's Discussion and Analysis -----	8
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position -----	18
Statement of Activities -----	20
Fund Financial Statements:	
Balance Sheets – Governmental Funds -----	21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position -----	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds -----	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities -----	24
Statement of Net Position – Proprietary Funds -----	25
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds -----	27
Statement of Cash Flows – Proprietary Funds -----	29
Notes to Financial Statements -----	31
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund -----	62
Redevelopment Agency – Special Revenue Fund -----	64
Municipal Building Authority – Special Revenue Fund -----	65
Schedule of the Proportionate Share of the Net Pension Liability – Utah Retirement Systems-----	66
Schedule of Contributions – Utah Retirement Systems-----	67
Notes to Required Supplementary Information -----	68
Supplemental Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Capital Projects Fund -----	69
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual:	
Culinary Water Utility Fund -----	70
Sewer Utility Fund -----	71
Garbage Utility Fund -----	72
Secondary Water Utility Fund -----	73
Storm Water Utility Fund -----	74
Information Technology Fund -----	75

SYRACUSE CITY TABLE OF CONTENTS

STATISTICAL SECTION

Introduction	77
Fund Information:	
Government-wide Revenues	78
Government-wide Expenses by Function	79
General Governmental Revenues and Other Financing Sources	80
General Governmental Expenditures (Budget Basis) and Other Uses by Function	81
Governmental Activities Tax Revenues by Source	82
Net Position by Component	83
Changes in Net Position	84
Changes in Fund Balances of Governmental Funds	86
Fund Balances of Governmental Funds	88
Sales Tax Rates – Direct and Overlapping Governments	89
Assessed Value and Estimated Actual Value of Taxable Property	90
Property Tax Rates – Direct and Overlapping Governments	91
Principal Property Taxpayers	92
Property Tax Levies and Collections	93
Property Value and New Construction	94
Ratios of Outstanding Debt by Type	95
Direct and Overlapping Governmental Activities Debt	96
Legal Debt Margin Information	97
Demographic and Economic Statistics	98
Principal Employers	99
Full-time City Government Employees by Function	100
Operating Indicators by Function	101
Capital Statistics by Function	102

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	103
Independent Auditor’s Report on Compliance and Report on Internal Control over Compliance as Required by the <i>State Compliance Audit Guide</i>	105

INTRODUCTORY SECTION



Mayor
Michael Gailey

City Council
Andrea Anderson
Corinne Buldoc
Doug Peterson
Dave Maughan
Jordan Savage

November 13, 2018

To the Honorable Mayor, City Council, and Citizens of the City of Syracuse:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Syracuse City Corporation for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of Syracuse City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of Syracuse City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Syracuse City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Syracuse City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Keddington & Christensen, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Syracuse City for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Syracuse City's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Syracuse City's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and Title 2 U.S Code of Federal Regulations Part 200 governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2013 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the Government

Syracuse City was incorporated on September 3, 1935 and is located in the northern part of the state along the Wasatch Front. Syracuse became linked to Antelope Island State Park in 1969, with construction of a causeway. The City is the gateway to Antelope Island bringing 496,027 visitors in fiscal year 2018, through the heart of the city. Syracuse City currently occupies a land area of 9.5 square miles and serves a population of approximately 30,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Syracuse City is governed by a six-member council form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Syracuse City provides a full range of services, including police and fire protection; culinary water, secondary water, storm water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Syracuse City Redevelopment Agency (RDA) and the Municipal Building Authority of Syracuse (MBA). The RDA and MBA are separate legal entities, but due to the oversight responsibilities of the City's governing council in the decision-making process, they are reported within the financial statements of Syracuse City. Additional information on the RDA and MBA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Syracuse City's financial planning and control. All departments of the City are required to submit requests for appropriations to the Administrative Services Director in March of each year. The Administrative Services Director and City Manager use these requests as the starting point for developing a tentative budget. The Administrative Services Director then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 62-65 as part of the required supplementary information for the governmental funds. For other funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the supplementary section of this report, which starts on page 69.

Economic Conditions

The City has experienced a steady economic growth over the past few years. This is evidenced by our revenues associated with construction, namely building permits and development impact fees. These revenue increases show that the housing market is growing steadily; however, even with the increases in building permit revenue over the past few years, the City continues to remain below the growth levels seen during the 2004 to 2007 fiscal years.

The City's tax revenues continue to show signs of steady growth in fiscal year 2018 with sales tax revenue up 9.6% over prior year. This is partially due (1.4% of the growth) to a new recreation, arts, and parks tax that the citizens approved in November 2017. Property tax rates and levies by the City decreased slightly over the prior year due to increases in property values in Syracuse. Property values have also increased by approximately 6.5% in Syracuse City. The property tax formula, provided in state law, is revenue based and the tax rate adjusts to provide the same revenue from year to year regardless of valuation changes. Property Tax revenues increased due to new development and new homes built in Syracuse as well as holding the tax rate with increasing property values.

Long-Term Financial Planning

Financial policy dictates that unrestricted general fund balance be kept between 5% to 25% of general fund revenues. Each year's budget plan targets an amount within that range and may be higher or lower depending on operational and capital needs of that year. The unrestricted fund balance for fiscal year ended June 30, 2018, was 20.6% of general fund revenues.

The City uses a five-year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually. The Council and management attempt to finance all city operations on a pay as you go basis. Issuing debt is avoided if possible.

The City has invested long-term in infrastructure by issuing bonds in 2006 and 2008 to construct a new city hall, fire station, and making significant modifications to its public works building and police station. These buildings and improvements will benefit the city for the next 30 to 40 years. The city refinanced these bonds in 2016 to take advantage of lower interest rates and to save money. The City plans to pay off its bonds over the next 10 years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Syracuse City for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the eighth consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. I would like to express my appreciation to all employees of the City who assisted and contributed to the preparation of this report, and to our auditors, Keddington & Christensen LLC, for their cooperation and hard work. Credit must also be given to the Mayor, City Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of Syracuse City's finances.

Respectfully submitted,

Stephen Marshall, CPA
Administrative Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Syracuse City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

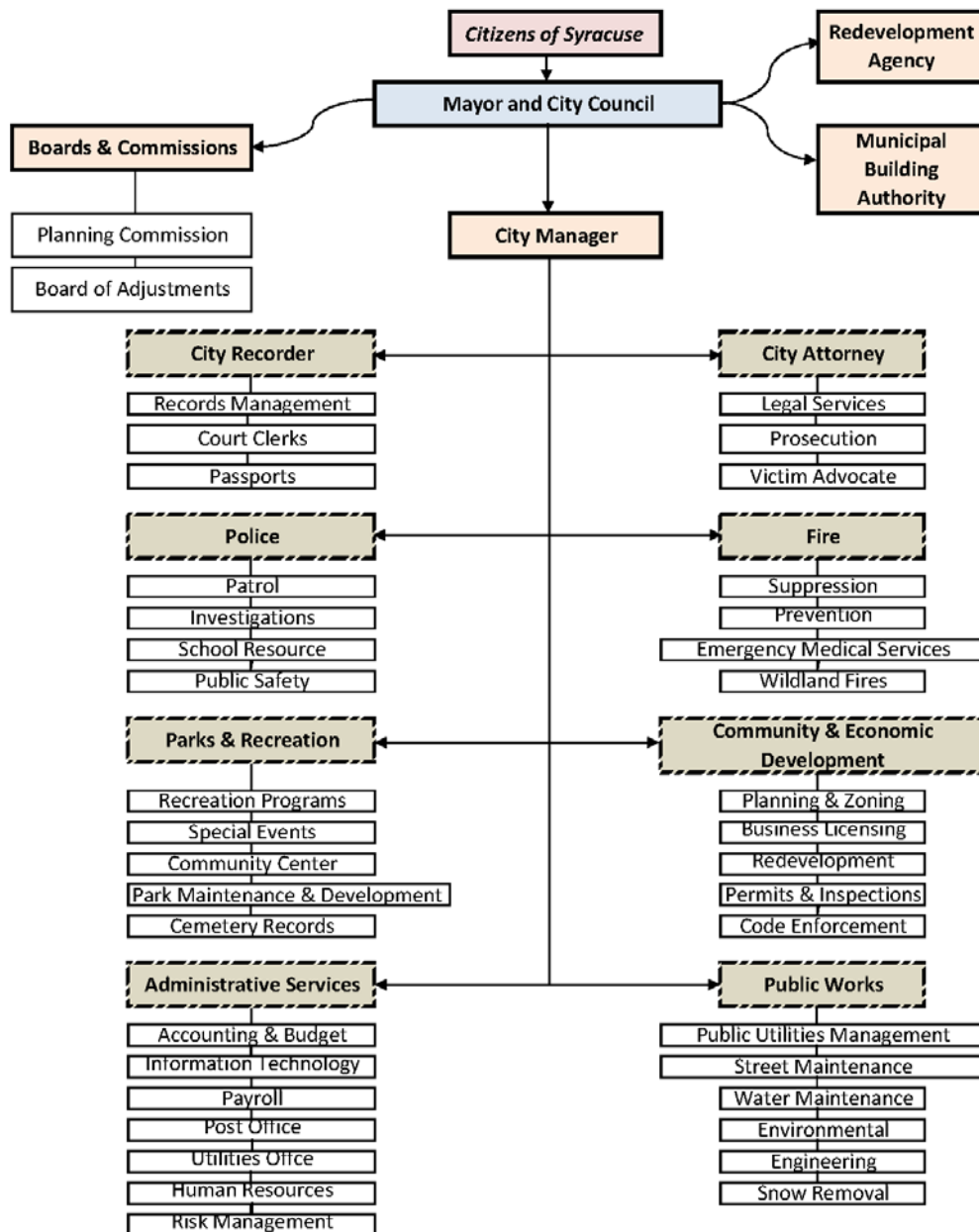
June 30, 2017

Christopher P. Morill

Executive Director/CEO

SYRACUSE CITY CORPORATION

Organizational Chart



FINANCIAL SECTION



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Syracuse City
Syracuse City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Syracuse, Utah's basic financial statements. The introductory section, additional budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The additional budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2018, on our consideration of the City of Syracuse, Utah's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Syracuse, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 6, 2018

SYRACUSE CITY MANAGEMENT'S DISCUSSION AND ANALYSIS For The Year Ended June 30, 2018

The following is a discussion and analysis of Syracuse City's financial performance and activities for the year ended June 30, 2018. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis will assist the reader to gain a more complete knowledge of the City's financial performance.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The assets and deferred outflows of Syracuse City exceeded its liabilities and deferred inflows at June 30, 2018 by \$139,434,479 (net position). Of this amount, \$8,398,919 (unrestricted net position) may be used to meet the government's ongoing obligations.
- Syracuse City's total net position increased by \$14,010,209 during the fiscal year. Net position of governmental activities increased \$5,455,495 or 9.5%. Net position of business-type activities increased \$8,554,714 or 12.6%. Most of the increase in net position during the year came from infrastructure assets contributed by developers of new subdivisions (i.e. streets, water lines, secondary water shares, etc.) and increased revenue from sales tax, franchise tax, and capital grants.
- Syracuse City's governmental funds reported combined ending fund balances of \$9,946,744 at June 30, 2018. Approximately 50.3% or \$5,001,019 of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the City's discretion or upon council approval.
- At June 30, 2018, unrestricted fund balance for the general fund was \$2,967,065 or 20.6% of the total general fund revenues.
- Syracuse City's total debt decreased by \$1,044,862 from principal payments on outstanding bonds and capital leases.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Syracuse City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The financial statements also include information about Syracuse City Redevelopment Agency and the Municipal Building Authority of Syracuse City, blended *component units* of Syracuse City. Both entities are separate legal creations of Syracuse City but are reported here instead of having separate reports. A detailed explanation of the reporting entity is part of the notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of Syracuse City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows of resources, with the difference between the reported categories as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Syracuse City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Syracuse City include general government, public safety, highways and public improvements, and parks and recreation and public property. The business-type activities of Syracuse City Corporation include the Secondary Water Fund, Culinary Water Fund, Sewer Utility Fund, Storm Sewer Utility Fund, and Garbage Utility Fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Syracuse City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two types: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Syracuse City maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority which are all considered major funds.

Syracuse City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with the fiscal year 2018 budget.

Proprietary funds. Syracuse City Corporation maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Secondary Water Utility, Culinary Water Utility, Sewer Utility, Storm Sewer Utility, and Garbage Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Syracuse City Corporation uses an internal service fund to account for its information technology activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Syracuse City Corporation's assets and deferred outflows exceeded its liabilities and deferred inflows by \$139,434,479 at the close of the most recent year, June 30, 2018.

The largest portion of the City's net position, \$123,176,761 (88.3%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$7,858,799, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$8,398,919, may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed statement of net position:

Syracuse City Corporation's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 13,450,228	\$ 12,799,327	\$ 10,101,572	\$ 9,491,419	\$ 23,551,800	\$ 22,290,746
Capital assets	64,673,703	60,411,561	68,167,793	59,798,397	132,841,496	120,209,958
Total assets	<u>78,123,931</u>	<u>73,210,888</u>	<u>78,269,365</u>	<u>69,289,816</u>	<u>156,393,296</u>	<u>142,500,704</u>
Total deferred outflows of resources	<u>1,859,181</u>	<u>1,569,152</u>	<u>207,572</u>	<u>169,732</u>	<u>2,066,753</u>	<u>1,738,884</u>
Total assets and deferred outflows of resources	<u>79,983,112</u>	<u>74,780,040</u>	<u>78,476,937</u>	<u>69,459,548</u>	<u>158,460,049</u>	<u>144,239,588</u>
Long-term liabilities outstanding	10,506,627	11,473,180	74,275	68,073	10,580,902	11,541,253
Other liabilities	<u>2,848,012</u>	<u>3,203,370</u>	<u>1,798,946</u>	<u>1,453,257</u>	<u>4,646,958</u>	<u>4,656,627</u>
Total liabilities	<u>13,354,639</u>	<u>14,676,550</u>	<u>1,873,221</u>	<u>1,521,330</u>	<u>15,227,860</u>	<u>16,197,880</u>
Total deferred inflows of resources	<u>3,631,619</u>	<u>2,562,131</u>	<u>166,091</u>	<u>55,307</u>	<u>3,797,710</u>	<u>2,617,438</u>
Net position:						
Net investment in capital assets	55,008,968	49,719,287	68,167,793	59,798,397	123,176,761	109,517,684
Restricted	4,536,820	4,388,019	3,321,979	2,357,762	7,858,799	6,745,781
Unrestricted	<u>3,451,066</u>	<u>3,434,053</u>	<u>4,947,853</u>	<u>5,726,752</u>	<u>8,398,919</u>	<u>9,160,805</u>
Total net position	<u><u>\$ 62,996,854</u></u>	<u><u>\$ 57,541,359</u></u>	<u><u>\$ 76,437,625</u></u>	<u><u>\$ 67,882,911</u></u>	<u><u>\$ 139,434,479</u></u>	<u><u>\$ 125,424,270</u></u>

At the end of the current fiscal year, Syracuse City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

The following table summarizes Syracuse City's total revenues, expenses, and changes in net position for fiscal year 2018 and 2017:

Syracuse City Corporation's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 3,368,102	\$ 3,046,951	\$ 8,800,701	\$ 7,701,318	\$ 12,168,803	\$ 10,748,269
Operating grants and contributions	494,901	424,967	680,408	49,506	1,175,309	474,473
Capital grants and contributions	6,806,554	6,806,793	6,733,575	3,653,269	13,540,129	10,460,062
General revenues:						
Property taxes	2,915,617	2,661,024	-	-	2,915,617	2,661,024
Other taxes	5,612,102	5,313,603	-	-	5,612,102	5,313,603
Other	366,218	279,087	238,081	160,366	604,299	439,453
Total revenues	<u>19,563,494</u>	<u>18,532,425</u>	<u>16,452,765</u>	<u>11,564,459</u>	<u>36,016,259</u>	<u>30,096,884</u>
Expenses:						
General government	3,180,181	2,816,906	-	-	3,180,181	2,816,906
Public safety	4,287,420	4,640,066	-	-	4,287,420	4,640,066
Highways and public improvements	3,924,080	3,313,400	-	-	3,924,080	3,313,400
Parks and recreation	1,744,884	1,711,853	-	-	1,744,884	1,711,853
Interest on long-term debt	221,434	240,796	-	-	221,434	240,796
Culinary Water	-	-	2,000,900	1,957,655	2,000,900	1,957,655
Sewer	-	-	3,070,173	2,630,274	3,070,173	2,630,274
Garbage	-	-	1,382,383	1,266,547	1,382,383	1,266,547
Secondary Water	-	-	1,561,052	1,472,424	1,561,052	1,472,424
Storm Water	-	-	633,543	552,972	633,543	552,972
Total expenses	<u>13,357,999</u>	<u>12,723,021</u>	<u>8,648,051</u>	<u>7,879,872</u>	<u>22,006,050</u>	<u>20,602,893</u>
Increase in net position before transfers	6,205,495	5,809,404	7,804,714	3,684,587	14,010,209	9,493,991
Transfers	(750,000)	-	750,000	-	-	-
Increase (Decrease) in net position	5,455,495	5,809,404	8,554,714	3,684,587	14,010,209	9,493,991
Net position - beginning of year	57,541,359	51,731,955	67,882,911	64,198,324	125,424,270	115,930,279
Net position - end of year	<u>\$ 62,996,854</u>	<u>\$ 57,541,359</u>	<u>\$ 76,437,625</u>	<u>\$ 67,882,911</u>	<u>\$ 139,434,479</u>	<u>\$ 125,424,270</u>

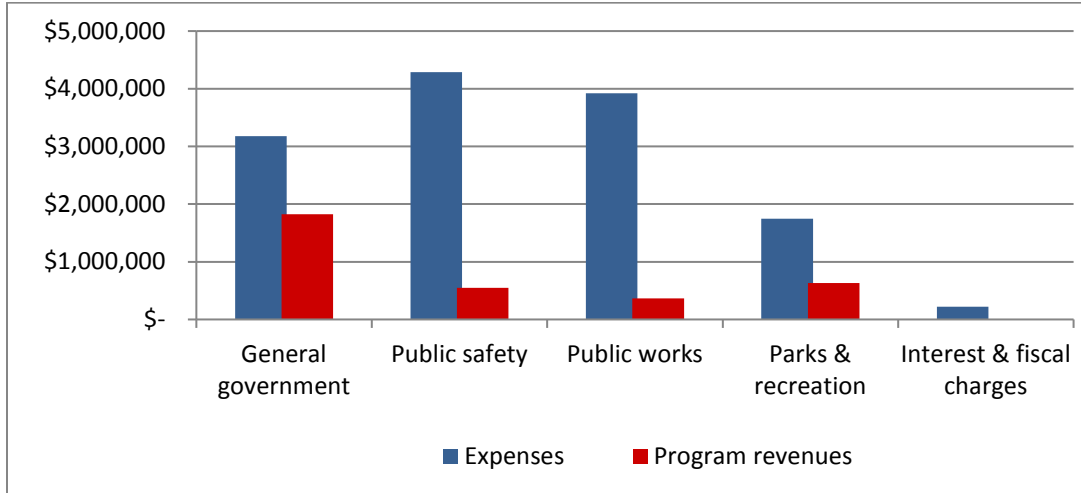
Governmental activities. Governmental activities increased Syracuse City's net position by \$5,455,495 in the current fiscal year. Key elements of the increase were as follows:

- Capital contributions from developers during fiscal year 2018 including streets, sidewalks, and curb and gutter totaled \$4,464,339.
- Sales tax revenue increased 9.6% or \$359,997 over the previous fiscal year while franchise taxes decreased 4.0% or \$61,498. The large increase in sales tax revenue is partially due (1.4% of the growth) to a new recreation, arts, and parks tax that the citizens approved in November 2017.
- Property taxes increased by \$254,593 or 9.6% due to new development from both residential and commercial.
- Charges for services increased by \$321,151 or 10.5% mainly due to an increase in building permit revenue and impact fee revenue.

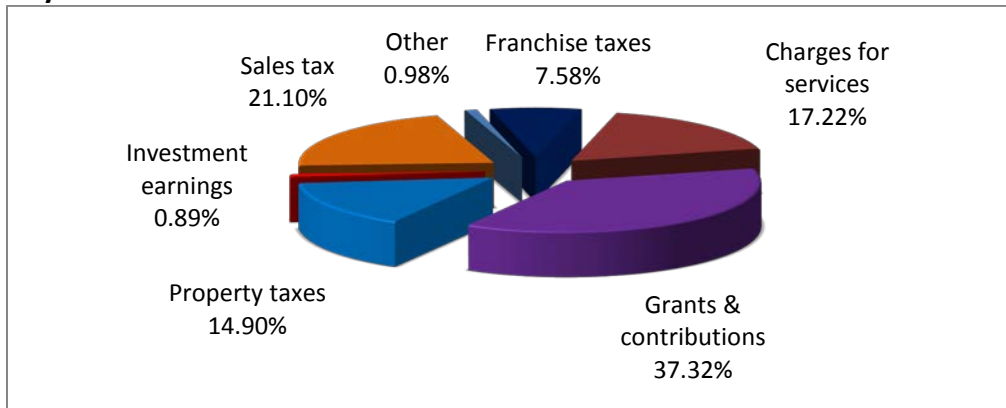
SYRACUSE CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

The following graphs display a different perspective on governmental activities expenses compared to program revenues attributed to the activity:

Expenses and Charges for Services – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. Business-type activities increased Syracuse City’s net position by \$8,554,714 in the current fiscal year. At the end of the current fiscal year, all of the City’s business-type funds reported a positive net position. Key elements of this change include:

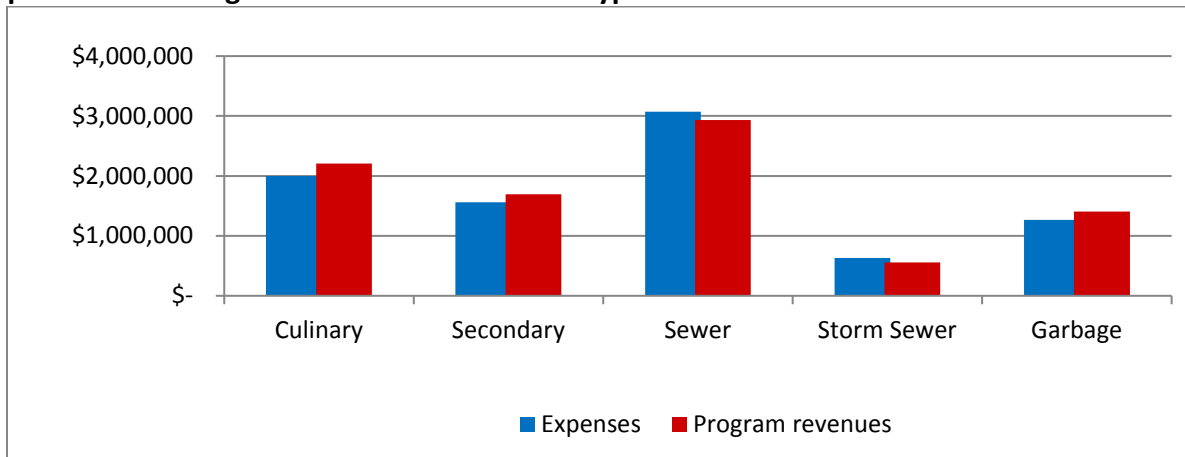
- User fee revenue from culinary water, secondary water, sewer, storm sewer and garbage services had an increase of \$1,099,383. This was mainly due to new homes paying for utility services, an increase in the sewer rate of \$3.00/month per user, and various increases in city utilities totaling \$3.83/month per user to help fund our capital improvement plan and for increased costs passed on from our utility suppliers.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

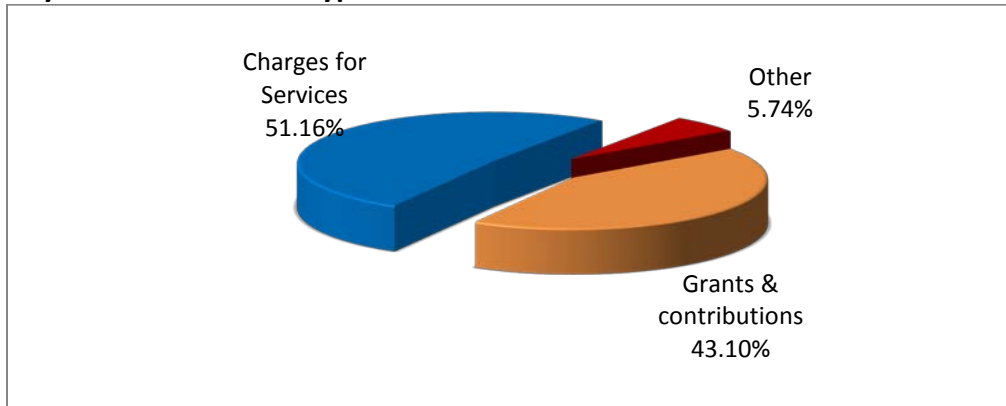
- Capital contributions totaling \$6,733,575 were donated from developers for new development during fiscal year 2018 including culinary & secondary water pipes, sewer lines, storm drains, and secondary water shares for new development.
- An operating grant totaling \$680,408 was given to the city by the Utah Department of Transportation to relocate utility lines in preparation of widening and rebuilding 2000 West from 1700 South to 200 South.

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Charges for Services – Business-type Activities



Revenues by Source – Business-type Activities



SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Financial Analysis of the Government's Funds

As noted earlier, Syracuse City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2018, the City's governmental funds reported combined ending fund balances of \$9,946,744, an increase of \$358,334 from the prior year. There are five components of funds balance; nonspendable, restricted, committed, assigned, and unassigned. The nonspendable fund balance of \$408,905 includes items that are prepaid expenses, inventory, and land and building held for resale. The restricted fund balance totaling \$4,536,820 is funds that must be spent for specific purposes and are externally restricted. Committed fund balances are not restricted, but require council approval before monies can be spent. The City does not have any committed fund balances at June 30, 2018. The assigned fund balance of \$2,658,984 is unrestricted in nature but has been assigned internally by management for a specific or intended use. Finally, unassigned fund balance of \$2,342,035 is available for spending at the City's discretion and has not been assigned for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance, which includes unassigned, assigned, and committed fund balances, of the General Fund was \$2,967,065, while the total fund balance was \$7,912,790. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund revenues totaling \$14,399,025. Unrestricted fund balance represents 20.6% of total general fund revenues, while total fund balance represents 55.0% of that same amount.

During the fiscal year, the fund balance of Syracuse City's general fund increased by \$1,278,708. Key factors in the change are as follows:

- The City did not fully spend its Class C roads funds revenues in fiscal year 2018. This increased fund balance by \$767,278 over prior year.
- Sales tax revenue increased 9.6% or \$359,997 over the previous fiscal year while franchise taxes decreased 4.0% or \$61,498. The large increase in sales tax revenue is partially due (1.4% of the growth) to a new recreation, arts, and parks tax that the citizens approved in November 2017.
- Property taxes increased by \$254,593 or 9.6% due to new development from both residential and commercial.

The fund balance of the Capital Improvement Fund decreased by \$980,299 over the prior year. This decrease was mainly due to the City purchasing capital assets including a new type 3 urban interface engine for approximately \$724,000.

The fund balance of the Redevelopment Fund increased by \$58,350, while the Municipal Building Authority Fund balance increased by \$1,575. The increase in the Redevelopment Fund was due to tax increment revenue exceeding budgeted costs for fiscal year 2018.

Proprietary funds. Syracuse City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the culinary water fund at the end of the fiscal year 2018 was \$1,129,954, for the sewer utility fund the unrestricted net position was \$865,480, for the garbage utility fund the unrestricted net position was \$603,583, for the secondary water utility fund the unrestricted net position was \$1,881,242, and for the storm water utility fund the unrestricted net position was \$418,643. The change in net position for the five utility funds were as follows: Culinary water utility fund decreased \$178,158, sewer utility fund

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

decreased \$630,468, garbage utility fund increased \$75,263, secondary water utility fund decreased \$19,883, and storm water utility fund increased \$2,015.

Operating revenues for the Culinary Water Utility Fund increased 25.9% or \$528,115 from the prior year. Operating expenses increased 1.4% or \$27,405. The increase in revenue is primarily due to an operating grant the City received from the Utah Department of Transportation to relocate a water line totaling \$359,796. The city did not receive this grant in fiscal year 2017. The increase in expense was minimal and was a result of increase costs for system maintenance.

Operating revenues for the Sewer Utility Fund increased 24.8% or \$586,170 from the prior year. Expenses increased 16.3% or \$429,478. This increase in revenue and expense is mainly attributed to a \$3.00 increase in sewer collection fees per user and an increase in disposal fees paid to the sewer district. The city also increased the utility fee to help fund its capital improvement plan.

Operating revenues for the Garbage Utility Fund increased by 7.4% or \$98,886. Expenses increased by 8.6% or \$108,873 over prior year. The increase in revenues and expenses was primarily due to an increased collection rate passed on by the garbage hauler.

Operating revenues for the Secondary Water Utility Fund increased by 24.5% or \$397,186. Expenses increased 5.6% or \$82,341. The increase in revenue is primarily due to an operating grant the City received from the Utah Department of Transportation to relocate a water line totaling \$320,612. The increase in expense was mainly due to increased costs passed through from our water supplier as well as increased maintenance cost in the system.

Operating revenues and expenses for the Storm Water Utility Fund increased by 30.1% or \$129,814. Expenses increased 12.8% or \$71,111. The city increased the utility fee to help fund its capital improvement plan and to pay for increased costs for system maintenance. The increase in expense was mainly due to increase costs for system maintenance.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of \$13,387,614 to a final budget of \$15,970,734, an increase of \$2,583,120. Some of the more significant changes to expenditure items are as follows:

- Increase in expenditure for various Class C road projects totaling \$1,279,500.
- Increase in expenditure for various park improvement projects totaling \$1,267,290
- Increase in various other department expenditures totaling approximately \$36,330.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Most revenue classifications actual revenue amounts were right on target with the budgeted amounts except for intergovernmental revenue, licenses and permits, and impact fees. The impact fee revenue and licenses and permits revenue exceeded budgeted amounts by \$309,095 and \$95,787 respectively. This is mainly due to higher than expected development of new homes and businesses in Syracuse. The Intergovernmental revenue fell short of budgeted amounts by \$394,092 due to not receiving grant money for park development. The remaining revenue accounts combined all came within \$69,826 of the budgeted amounts. In total, general fund revenue exceeded budget expectations by \$59,036, while general fund expenditures came in \$4,165,417 below budgeted amounts. This was mainly attributable to capital projects and park projects that were still under construction at fiscal year-end.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Capital Assets and Debt Administration

Capital assets. Syracuse City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$132,841,496 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$12,631,538 or 10.5% (a 3.5% increase totaling \$4,262,142 for governmental activities and a 7.0% increase totaling \$8,369,396 for business-type activities). Major capital asset events during the current fiscal year include the following:

- Infrastructure from developers through acceptance of new subdivision, \$6,733,575. Includes curb, gutter, sidewalks, roads, culinary water lines, secondary water lines, sewer lines, storm drains, and land drains.
- Secondary water stock for new development - \$2,022,166.
- 2000 West Improvements - \$1,250,000.
- Ranchettes Improvements - \$2,144,018.
- Bluff and Gentile Improvements - \$552,536.
- Tuscany Park Improvements - \$381,004.
- Right of way land and building acquisition - \$371,000.
- Centennial Park Improvements - \$278,003.
- Melanie Lane Improvements - \$243,297.
- Vehicle and Equipment Purchases - \$1,500,000.
- Various other capital improvements - \$1,829,000.
- Depreciation expense on existing assets – \$4,673,425.

Syracuse City Corporation's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Water shares/rights	\$ -	\$ -	\$ 14,415,811	\$ 12,393,645	\$ 14,415,811	\$ 12,393,645
Land	11,148,998	11,102,678	46,433	46,433	11,195,431	11,149,111
Construction in progress	1,377,992	153,566	3,943,356	602,087	5,321,348	755,653
Land improvements	4,038,152	3,665,232	729,233	749,326	4,767,385	4,414,558
Buildings and structures	13,674,322	14,285,498	471,019	494,870	14,145,341	14,780,368
Equipment, vehicles, and furnishings	1,917,041	1,623,864	310,961	402,774	2,228,002	2,026,638
Infrastructure	32,517,198	29,580,723	48,250,980	45,109,262	80,768,178	74,689,985
Total	<u>\$ 64,673,703</u>	<u>\$ 60,411,561</u>	<u>\$ 68,167,793</u>	<u>\$ 59,798,397</u>	<u>\$ 132,841,496</u>	<u>\$ 120,209,958</u>

Additional information on Syracuse City's capital assets can be found in note 5 on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the City's blended component unit, the Municipal Building Authority of Syracuse City (MBA), had total bonded debt outstanding of \$9,540,000. The bonds were issued for the purpose of financing the construction of a new city hall, a public works addition, remodel of the police station and construction of a new city fire station. The bonds mature in 2028 with principal payments due annually in March. Interest is due semi-annually in March and September.

In April 2016, the City elected to refinance its 2006, 2012, and 2014 MBA bonds to take advantage of lower interest rates in the market. With the 2016 bond refinance, the City secured a 1.9% fixed interest rate over the remaining life of the bonds and consolidated the debt into one single issue. The estimated net present value savings the City will recognize over the remaining life of the bond is \$711,500.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2018

Syracuse City Corporation's Outstanding debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
2016 MBA Lease Revenue Refunding	\$ 9,540,000	\$ 10,397,000	\$ -	\$ -	\$ 9,540,000	\$ 10,397,000
Capital Lease - Police Vehicles	102,551	203,467			102,551	203,467
Capital Lease - Street Lights	195,410	282,356	-	-	195,410	282,356
Total	<u>\$ 9,837,961</u>	<u>\$ 10,882,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,837,961</u>	<u>\$ 10,882,823</u>

Additional information on Syracuse City's long-term debt activity can be found in note 8 on pages 45-47 of this report.

Economic Factors and Next Year's Budgets

Sales tax revenues for the fiscal year ended June 30, 2018 was 9.6% or \$359,997 higher than the previous year. It is expected that sales tax revenue will continue to increase as the economy continues to grow and expand. Construction of new homes has exceeded expectations and revenues associated with residential construction have exceeded budgeted amounts for fiscal year 2018. The city anticipates that new construction will continue and that building permits revenue in fiscal year 2019 will be comparable to the amounts in fiscal year 2018. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2018 was 2.9%. This is slightly lower when compared to the unemployment rate of 3.1% for June 2017. The rate reported for the State of Utah for June 2018 was 3.0%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2018 of 4.0%. County and state unemployment rates have decreased slightly over the past year. The City anticipates that unemployment rates will continue to stay low in the next few years.

These factors along with other economic factors were considered in preparing the 2019 fiscal year budget.

Request for Information

This financial report is designed to provide a general overview of Syracuse City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Director, 1979 West 1900 South, Syracuse, Utah 84075. The report is also posted on the City's website at www.syracuseut.com.

BASIC FINANCIAL STATEMENTS

SYRACUSE CITY
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,377,508	\$ 5,436,017	\$ 9,813,525
Receivables:			
Taxes	3,276,789	-	3,276,789
Accounts, net	141,753	814,340	956,093
Intergovernmental	237,328	-	237,328
Internal balances	(48,951)	48,951	-
Prepays	7,768	-	7,768
Inventories	49,793	64,493	114,286
Restricted Cash and cash equivalents	4,952,042	3,724,861	8,676,903
Land and building held for resale	351,344	-	351,344
Capital assets not being depreciated:			
Water shares/rights	-	14,415,811	14,415,811
Land	11,148,998	46,433	11,195,431
Construction in progress	1,377,992	3,943,356	5,321,348
Capital assets, net of accumulated depreciation:			
Land improvements	4,038,152	729,233	4,767,385
Buildings and structures	13,674,322	471,019	14,145,341
Equipment, vehicles, and furnishings	1,917,041	310,961	2,228,002
Infrastructure	32,517,198	48,250,980	80,768,178
Net Pension asset	104,854	12,910	117,764
Total Assets	78,123,931	78,269,365	156,393,296
Deferred Outflows of Resources			
Deferred charge on refunding	173,226	-	173,226
Deferred outflows relating to pensions	1,685,955	207,572	1,893,527
Total Deferred Outflows of Resources	1,859,181	207,572	2,066,753
Total Assets and Deferred Outflows of Resources	\$ 79,983,112	\$ 78,476,937	\$ 158,460,049

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2018

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 489,112	\$ 1,168,496	\$ 1,657,608
Accrued liabilities	173,386	21,991	195,377
Accrued interest payable	55,990	-	55,990
Unearned revenue	44,557	-	44,557
Payables from restricted assets:			
Accounts payable	114,854	251,266	366,120
Developer and customer deposits	300,368	151,616	451,984
Noncurrent liabilities:			
Due within one year	1,134,123	6,766	1,140,889
Due in more than one year	9,372,504	67,509	9,440,013
Net pension liability	1,669,745	205,577	1,875,322
Total Liabilities	13,354,639	1,873,221	15,227,860
Deferred Inflows of Resources			
Deferred revenue - property taxes	2,282,589	-	2,282,589
Deferred inflows relating to pensions	1,349,030	166,091	1,515,121
Total Deferred Inflows of Resources	3,631,619	166,091	3,797,710
Net Position			
Net investment in capital assets	55,008,968	68,167,793	123,176,761
Restricted for:			
Impact fees	3,634,851	3,321,979	6,956,830
Road maintenance	804,490	-	804,490
RAP Tax	48,547	-	48,547
State liquor allotment	48,932	-	48,932
Unrestricted	3,451,066	4,947,853	8,398,919
Total Net Position	\$ 62,996,854	\$ 76,437,625	\$ 139,434,479

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Operating	Capital			
	Expenses	Charges for	Grants and	Grants and	Governmental	Business-type	Total
		Services	Contributions	Contributions	Activities	Activities	
Functions/Programs							
Government Activities							
General governmental	\$ 3,180,181	\$ 1,824,930	\$ -	\$ -	\$ (1,355,251)	\$ -	\$ (1,355,251)
Public safety	4,287,420	545,625	194,524	93,138	(3,454,133)	-	(3,454,133)
Highways and public improvements	3,924,080	364,141	300,377	5,880,224	2,620,662	-	2,620,662
Parks and recreation	1,744,884	633,406	-	833,192	(278,286)	-	(278,286)
Interest on long-term debt	221,434	-	-	-	(221,434)	-	(221,434)
Total Governmental Activities	13,357,999	3,368,102	494,901	6,806,554	(2,688,442)	-	(2,688,442)
Business-type Activities							
Culinary Water	2,000,900	2,204,512	359,796	1,632,068	-	2,195,476	2,195,476
Sewer	3,070,173	2,935,449	-	979,483	-	844,759	844,759
Garbage	1,382,383	1,408,072	-	-	-	25,689	25,689
Secondary Water	1,561,052	1,694,856	320,612	2,809,370	-	3,263,786	3,263,786
Storm Water	633,543	557,812	-	1,312,654	-	1,236,923	1,236,923
Total Business-type Activities	8,648,051	8,800,701	680,408	6,733,575	-	7,566,633	7,566,633
Total Government	\$ 22,006,050	\$ 12,168,803	\$ 1,175,309	\$ 13,540,129	(2,688,442)	7,566,633	4,878,191
General Revenues							
					2,915,617	-	2,915,617
					4,128,730	-	4,128,730
					1,483,372	-	1,483,372
					173,896	143,359	317,255
					182,522	58,471	240,993
					9,800	36,251	46,051
					(750,000)	750,000	-
					8,143,937	988,081	9,132,018
					5,455,495	8,554,714	14,010,209
					57,541,359	67,882,911	125,424,270
					\$ 62,996,854	\$ 76,437,625	\$ 139,434,479

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,287,170	\$ 1,030,993	\$ 6,215	\$ 999,140	\$ 4,323,518
Receivables:					
Taxes	3,185,853	90,936	-	-	3,276,789
Accounts receivable, net	141,753	-	-	-	141,753
Intergovernmental	237,328	-	-	-	237,328
Prepays	7,768	-	-	-	7,768
Inventory	49,793	-	-	-	49,793
Restricted cash and cash equivalents	4,952,042	-	-	-	4,952,042
Land and building held for resale	351,344	-	-	-	351,344
Total Assets	\$ 11,213,051	\$ 1,121,929	\$ 6,215	\$ 999,140	\$ 13,340,335
Liabilities					
Accounts payable	\$ 476,056	\$ -	\$ -	\$ 2,394	\$ 478,450
Accrued liabilities	172,773	-	-	-	172,773
Unearned revenue	44,557	-	-	-	44,557
Payables from restricted assets:					
Accounts payable	114,854	-	-	-	114,854
Developer and customer deposits	300,368	-	-	-	300,368
Total Liabilities	1,108,608	-	-	2,394	1,111,002
Deferred Inflows of Resources					
Unavailable revenue - property taxes	2,191,653	90,936	-	-	2,282,589
Total Deferred Inflows of Resources	2,191,653	90,936	-	-	2,282,589
Fund Balances					
Nonspendable					
Prepays	7,768	-	-	-	7,768
Inventory	49,793	-	-	-	49,793
Land and building held for resale	351,344	-	-	-	351,344
Restricted					
Impact fees	3,634,851	-	-	-	3,634,851
Road maintenance	804,490	-	-	-	804,490
RAP Tax	48,547	-	-	-	48,547
State liquor allotment	48,932	-	-	-	48,932
Assigned					
Park maintenance	70,570	-	-	-	70,570
Street lighting	76,542	-	-	-	76,542
Road maintenance	477,918	-	-	-	477,918
Community development		1,030,993			1,030,993
MBA fund	-	-	6,215	-	6,215
Capital projects	-	-	-	996,746	996,746
Unassigned	2,342,035	-	-	-	2,342,035
Total Fund Balances	7,912,790	1,030,993	6,215	996,746	9,946,744
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,213,051	\$ 1,121,929	\$ 6,215	\$ 999,140	\$ 13,340,335

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 9,946,744
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,673,703
Accrued interest is not recorded in the funds.	(55,990)
Long-term liabilities, including bond payable and compensated absences, are not due and payable in the current period and therefore are not recorded in the funds.	(10,506,627)
Deferred outflows relating to the loss on refunding of debt is not current available resources and therefore is not included in the governmental funds.	173,227
Pension liabilities, pensions assets, and deferred inflows and outflows of resources relating to pensions are not current available resources, and are therefore not included in the governmental funds.	(1,202,437)
Internal service funds are used by management to charge the costs of information technology to other funds. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position. This is the net effect of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund.	(31,766)
Net position - governmental activities	<u><u>\$ 62,996,854</u></u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2018

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Revenues					
Taxes	\$ 7,915,019	\$ 612,700	\$ -	\$ -	\$ 8,527,719
Licenses and permits	907,187	-	-	-	907,187
Intergovernmental	1,509,301	-	-	4,199	1,513,500
Fines and forfeitures	232,479	-	-	-	232,479
Charges for services	2,190,366	-	-	-	2,190,366
Impact fees	1,297,295	-	-	-	1,297,295
Management fees	38,070	-	-	-	38,070
Lease revenue	-	-	994,000	-	994,000
Interest	131,620	17,873	187	22,755	172,435
Miscellaneous	177,688	4,834	-	-	182,522
Total Revenues	14,399,025	635,407	994,187	26,954	16,055,573
Expenditures					
Current:					
General government	2,217,489	-	-	-	2,217,489
Public safety	4,656,661	-	-	-	4,656,661
Highways and public improvements	1,206,550	-	-	-	1,206,550
Parks and recreation	1,464,258	-	-	670	1,464,928
Redevelopment	-	577,057	-	-	577,057
Lease payment	994,000	-	-	-	994,000
Miscellaneous	-	-	2,610	-	2,610
Debt service:					
Principal	86,946	-	857,000	100,917	1,044,863
Interest	8,166	-	199,002	3,296	210,464
Capital outlay	1,171,247	-	-	1,419,920	2,591,167
Total Expenditures	11,805,317	577,057	1,058,612	1,524,803	14,965,789
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,593,708	58,350	(64,425)	(1,497,849)	1,089,784
Other Financing Sources (Uses)					
Transfer in	-	-	66,000	1,250,000	1,316,000
Transfer out	(1,316,000)	-	-	(750,000)	(2,066,000)
Sale of capital assets	1,000	-	-	17,550	18,550
Total Other Financing Sources (Uses)	(1,315,000)	-	66,000	517,550	(731,450)
Net Change in Fund Balances	1,278,708	58,350	1,575	(980,299)	358,334
Fund Balance, Beginning	6,634,082	972,643	4,640	1,977,045	9,588,410
Fund Balance, Ending	\$ 7,912,790	\$ 1,030,993	\$ 6,215	\$ 996,746	\$ 9,946,744

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 358,334
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,817,937)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	2,598,169
Governmental funds do not report contributions of infrastructure from developers as a revenue in the governmental statements. It is recorded as part of the entity wide presentation.	4,490,658
Government funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets.	(8,747)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amounts is the net effect of these differences in the treatment of long-term debt and related items:	1,044,863
The Statement of Activities reports net pension expense and benefit expense from application of GASB 68 which is not reported in the fund statements.	(65,855)
In the statement of activities, accrued interest on debt is recorded.	6,353
The Statement of Activities reports the allocation of the deferred loss on bond refunding as interest expense which is not reported on the fund statements.	(17,323)
The long-term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(78,309)
Internal service funds are used by management to charge the costs of information technology to individual funds. The net revenues or (costs) of these activities are eliminated at the government-wide level and a portion is allocated to the governmental activities.	(54,711)
Change in net position - governmental activities	<u><u>\$ 5,455,495</u></u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Assets							
Current Assets							
Cash and cash equivalents	\$ 1,207,411	\$ 1,228,191	\$ 555,351	\$ 1,907,667	\$ 537,397	\$ 5,436,017	\$ 53,990
Accounts receivable, net	208,903	262,529	135,451	154,017	53,440	814,340	-
Inventories	29,990	-	22,043	-	12,460	64,493	-
Total Current Assets	1,446,304	1,490,720	712,845	2,061,684	603,297	6,314,850	53,990
Noncurrent Assets							
Restricted cash and cash equivalents	1,120,318	207,298	-	905,762	1,491,483	3,724,861	-
Capital assets:							
Water shares/rights	363,750	-	-	14,052,061	-	14,415,811	-
Land	20,308	-	-	26,125	-	46,433	-
Land improvements	-	-	-	1,004,658	-	1,004,658	-
Buildings and structures	56,700	-	-	681,500	-	738,200	-
Equipment, vehicles, and furnishings	814,164	397,570	-	312,726	-	1,524,460	-
Construction in process	1,609,584	1,271,687	-	805,093	256,992	3,943,356	-
Delivery/Collection system	23,180,168	17,863,131	-	16,201,343	13,311,753	70,556,395	-
Less: accumulated depreciation	(7,649,488)	(5,083,000)	-	(6,158,449)	(5,170,583)	(24,061,520)	-
Net pension asset	5,071	2,739	-	3,119	1,981	12,910	2,180
Total Noncurrent Assets	19,520,575	14,659,425	-	27,833,938	9,891,626	71,905,564	2,180
Total Assets	20,966,879	16,150,145	712,845	29,895,622	10,494,923	78,220,414	56,170
Deferred Outflows of Resources							
Deferred outflows relating to pensions	81,532	44,045	-	50,152	31,843	207,572	35,051
Total Assets, and Deferred Outflows of Resources	\$ 21,048,411	\$ 16,194,190	\$ 712,845	\$ 29,945,774	\$ 10,526,766	78,427,986	\$ 91,221

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Liabilities							
Current Liabilities							
Accounts payable	\$ 227,044	\$ 568,514	\$ 108,989	\$ 115,343	\$ 148,606	\$ 1,168,496	\$ 10,664
Compensated absences	1,927	1,902	-	2,095	842	6,766	-
Accrued liabilities	7,881	5,053	273	5,566	3,218	21,991	613
Total Current Liabilities	<u>236,852</u>	<u>575,469</u>	<u>109,262</u>	<u>123,004</u>	<u>152,666</u>	<u>1,197,253</u>	<u>11,277</u>
Noncurrent Liabilities							
Compensated absences	20,113	17,691	-	20,908	8,797	67,509	-
Payables from restricted assets:							
Accounts payable	32,071	207,298	-	-	11,897	251,266	-
Customer deposits	126,616	-	-	-	25,000	151,616	-
Net pension liability	80,749	43,621	-	49,671	31,536	205,577	34,715
Total Noncurrent Liabilities	<u>259,549</u>	<u>268,610</u>	<u>-</u>	<u>70,579</u>	<u>77,230</u>	<u>675,968</u>	<u>34,715</u>
Total Liabilities	<u>496,401</u>	<u>844,079</u>	<u>109,262</u>	<u>193,583</u>	<u>229,896</u>	<u>1,873,221</u>	<u>45,992</u>
Deferred Inflows of Resources							
Deferred inflows relating to pensions	65,239	35,243	-	40,130	25,479	166,091	28,046
Total Liabilities, and Deferred Inflows of Resources	<u>561,640</u>	<u>879,322</u>	<u>109,262</u>	<u>233,713</u>	<u>255,375</u>	<u>2,039,312</u>	<u>74,038</u>
Net Position							
Net invested in capital assets	18,395,186	14,449,388	-	26,925,057	8,398,162	68,167,793	-
Restricted for impact fees	961,631	-	-	905,762	1,454,586	3,321,979	-
Unrestricted	1,129,954	865,480	603,583	1,881,242	418,643	4,898,902	17,183
Total Net Position	<u>\$ 20,486,771</u>	<u>\$ 15,314,868</u>	<u>\$ 603,583</u>	<u>\$ 29,712,061</u>	<u>\$ 10,271,391</u>	<u>76,388,674</u>	<u>\$ 17,183</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>48,951</u>	
Net position of business-type activities (page 19)						<u>\$ 76,437,625</u>	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Operating Revenues							
Charges for services:							
Monthly service charge	\$ 2,084,890	\$ 2,829,249	\$ 1,408,072	\$ 1,586,456	\$ 557,812	\$ 8,466,479	\$ 311,500
Connection and servicing fees	119,622	106,200	-	108,400	-	334,222	-
Intergovernmental	359,796	-	-	320,612	-	680,408	-
Miscellaneous	5,364	12,807	35,226	2,404	2,670	58,471	-
Total Operating Revenues	2,569,672	2,948,256	1,443,298	2,017,872	560,482	9,539,580	311,500
Operating Expenses							
Salaries, wages, and benefits	350,377	244,964	13,262	261,069	135,578	1,005,250	167,468
Operations and maintenance	555,586	156,703	83,236	489,474	223,373	1,508,372	227,872
Professional services	479,612	2,123,901	1,280,697	366,557	-	4,250,767	-
Depreciation	609,701	535,959	-	442,991	266,838	1,855,489	-
Miscellaneous	436	-	-	-	69	505	-
Total Operating Expenses	1,995,712	3,061,527	1,377,195	1,560,091	625,858	8,620,383	395,340
Operating Income (Loss)	\$ 573,960	\$ (113,271)	\$ 66,103	\$ 457,781	\$ (65,376)	\$ 919,197	\$ (83,840)

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Nonoperating Income (Expense)							
Interest income	\$ 36,230	\$ 28,531	\$ 9,160	\$ 38,133	\$ 31,305	\$ 143,359	\$ 1,461
Gain (loss) from sale of capital assets	36,251	-	-	-	-	36,251	-
Total Nonoperating Income (Expense)	72,481	28,531	9,160	38,133	31,305	179,610	1,461
Income (loss) before capital contributions	646,441	(84,740)	75,263	495,914	(34,071)	1,098,807	(82,379)
Capital Contributions:							
Impact fees	310,895	-	-	592,915	509,365	1,413,175	-
Developer contributions	1,321,173	979,483	-	2,216,455	803,289	5,320,400	-
Transfers in	320,000	230,000	-	-	200,000	750,000	-
Change in Net Position	2,598,509	1,124,743	75,263	3,305,284	1,478,583	8,582,382	(82,379)
Net Position, Beginning	17,888,262	14,190,125	528,320	26,406,777	8,792,808		99,562
Net Position, Ending	\$ 20,486,771	\$ 15,314,868	\$ 603,583	\$ 29,712,061	\$ 10,271,391		\$ 17,183
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						(27,668)	
Changes in net position of business-type activities (page 20)						\$ 8,554,714	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Cash Flows From Operating Activities							
Receipts from customers and users	\$ 2,550,066	\$ 2,895,630	\$ 1,436,773	\$ 1,982,319	\$ 546,319	\$ 9,411,107	\$ -
Receipts from interfund services provided	990	1,610	600	27,084	1,297	31,581	311,500
Receipts from customer deposits	18,865	-	-	-	(84,386)	(65,521)	-
Payments to suppliers of goods or services	(850,117)	(1,612,588)	(1,345,635)	(839,189)	57,856	(4,589,673)	(233,445)
Payments to employees and related benefits	(345,369)	(240,007)	(13,262)	(257,470)	(134,657)	(990,765)	(166,070)
Payments for interfund services used	(224,069)	(134,442)	(24,896)	(199,173)	(134,441)	(717,021)	-
Net cash flows from operating activities	1,150,366	910,203	53,580	713,571	251,988	3,079,708	(88,015)
Cash Flows From Non-Capital Financing Activities							
Transfers in	320,000	230,000	-	-	200,000	750,000	-
Net cash flows from non-capital financing activities	320,000	230,000	-	-	200,000	750,000	-
Cash Flows From Capital and Related Financing Activities							
Acquisition and construction of capital assets	(2,007,301)	(1,311,687)	-	(1,304,042)	(394,304)	(5,017,334)	-
Proceeds from sale of capital assets	149,100	-	-	-	-	149,100	-
Impact fees received	310,895	-	-	592,915	509,365	1,413,175	-
Net cash flows from capital and related financing activities	(1,547,306)	(1,311,687)	-	(711,127)	115,061	(3,455,059)	-
Cash Flows From Investing Activities							
Interest on investments	36,230	28,531	9,160	38,133	31,305	143,359	1,461
Net cash flows from investing activities	36,230	28,531	9,160	38,133	31,305	143,359	1,461
Net Increase (Decrease) In Cash and Cash Equivalents	(40,710)	(142,953)	62,740	40,577	598,354	518,008	(86,554)
Cash and Cash Equivalents, Beginning	2,368,439	1,578,442	492,611	2,772,852	1,430,526	8,642,870	140,544
Cash and Cash Equivalents, Ending	\$ 2,327,729	\$ 1,435,489	\$ 555,351	\$ 2,813,429	\$ 2,028,880	\$ 9,160,878	\$ 53,990

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	\$ 573,960	\$ (113,271)	\$ 66,103	\$ 457,781	\$ (65,376)	\$ 919,197	\$ (83,840)
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation	609,701	535,959	-	442,991	266,838	1,855,489	-
Changes in assets and liabilities							
Accounts receivable, net	(18,616)	(51,016)	(5,925)	(8,469)	(12,866)	(96,892)	-
Inventories	4,345	-	(14,147)	-	(2,170)	(11,972)	-
Accounts payable	(43,227)	532,596	7,444	(183,062)	149,055	462,806	(2,356)
Compensated absences	1,755	3,200	-	1,598	(349)	6,204	-
Net pension asset	(4,301)	(2,323)	-	(2,645)	(1,680)	(10,949)	(1,849)
Deferred outflows relating to pensions	(14,863)	(8,029)	-	(9,143)	(5,805)	(37,840)	(6,390)
Accrued liabilities	330	978	105	731	(28)	2,116	(3,217)
Customer deposits	18,865	-	-	-	(84,386)	(65,521)	-
Net pension liability	(21,098)	(11,398)	-	(12,978)	(8,240)	(53,714)	(9,070)
Deferred inflows relating to pensions	43,515	23,507	-	26,767	16,995	110,784	18,707
Net cash flows from operating activities	<u>\$ 1,150,366</u>	<u>\$ 910,203</u>	<u>\$ 53,580</u>	<u>\$ 713,571</u>	<u>\$ 251,988</u>	<u>\$ 3,079,708</u>	<u>\$ (88,015)</u>
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ 1,321,173	\$ 979,483	\$ -	\$ 2,216,455	\$ 803,289	\$ 5,320,400	\$ -

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Syracuse (the City) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The City is incorporated under the constitutional provisions of the State of Utah. The City operates under a Council–Mayor form of government. The Mayor and the five council members are elected at large with staggered terms. The Mayor is the administrative authority by statute. However, in Syracuse City, that responsibility has been delegated to the City Manager. Council has budgetary authority over all city departments and is accountable for all fiscal matters. City sales taxes, property taxes, utility user fees and development impact fees fund the majority of the costs of providing services to citizens including general administrative, judicial services (justice court), planning and zoning, public safety (police and fire), public utilities (culinary water, secondary water, sewer, storm water and garbage collection), highways and streets, parks-recreation, and public improvements.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended Component Units - Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The reporting entity of these financial statements includes the Syracuse City Redevelopment Agency (RDA), and the Municipal Building Authority of Syracuse (MBA).

The RDA is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows the City to gather property tax increment dollars from increased property values to pay for improvements in designated redevelopment areas. Activities for the RDA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the RDA. The RDA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

Municipal Building Authority of Syracuse (MBA) is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows municipal facilities to be funded without requiring a vote of citizens. The MBA, as a separate entity, borrows monies and constructs municipal facilities which it owns. The City leases the structures from the MBA. These lease payments provide the revenue stream for the MBA to make the debt payments as they come due. The facilities are deeded to the government entity at the time the debt is extinguished. Activities for the MBA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the MBA. The MBA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements - The government-wide statements present information on all activities of the primary government and its blended component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of inter-fund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities and amounts of interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The *Statement of Net Position* presents the City's assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable within a specific function. The City does allocate insurance, legal fees, and other entity-wide expenses to individual funds. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental* and *proprietary funds*.

GASB 34 introduced the concept of *major funds* to the fund statements. Because governments typically have too many funds to include information on each individual fund with the basic financial statements, criteria has been established to identify those funds that are reported in separate columns (*major funds*) and those that are grouped together (*non-major funds*). Syracuse City has chosen to present each of the funds in separate columns and thus designated all of its funds as "major". The RDA Fund, and the MBA Fund did not meet the criteria of a "*major fund*".

Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund statements are also prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following governmental funds:

- General Fund – This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.
- RDA Fund – This special revenue fund accounts for all activities of the Syracuse City Redevelopment Agency. This fund is used to account for the property tax increment received for redevelopment.
- MBA Fund – This special revenue fund accounts for all activities of the Municipal Building Authority of Syracuse. The fund's revenue source is provided by lease payments made by the City.
- Capital Projects Fund – This fund accounts for the monies that are being accumulated to provide additional City facilities as growth creates specific needs.

The City reports the following enterprise funds:

- Secondary Water Fund – This fund accounts for the operations of the pressurized irrigation system throughout the City.
- Culinary Water Fund – This fund accounts for the operation of the culinary water service of the City.
- Sewer Fund – This fund accounts for the maintenance of the city portion of the North Davis Sewer District collection system.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

- Garbage Fund – The fund accounts for the costs of the system of garbage collection and disposition.
- Storm Sewer – This fund accounts for the maintenance and construction of storm sewers throughout the City.

The City reports the following internal service fund:

- Information Technology/Internal Service Fund – Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains an information technology fund to allocate such costs to the various departments and funds of the City. This fund is reported on the proprietary fund statements but is combined with governmental activities on the government-wide statements.

Budgeting and Budgetary Control

Annual budgets are prepared and adopted before June 22 for the calendar year commencing the following July 1 in accordance with the Uniform Fiscal Procedures Act for Utah Cities. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Adopting the Annual Budget - Each Spring the budget officer submits a tentative operating budget to the City Council for the calendar year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the City Council they also set a date for a public hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the budget officer and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year. Budgets for the General Fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required.

Modifying the Adopted Budget - Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Council. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the City Council will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During the year the City modified various budgets using the above procedure.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position

Cash and Investments - Cash and cash equivalents consist of demand deposits with a local bank. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. The City invests any cash that is not anticipated to be required within two weeks in the Public Treasurers Investment Fund (PTIF) administered by the State of Utah Treasurer's Office. Original maturities with PTIF are considered to be less than three months, thus, all deposits and investments are recorded at cost which is also considered to be fair value.

Accounts Receivable - Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accounts Receivable from utility customers is offset by an allowance of estimated uncollectible accounts.

Taxes Receivable - Taxes receivable include accrued amounts for sales tax and property tax.

Sales tax collected on retail sales throughout the state, are forwarded to the Utah State Tax Commission. These taxes are processed centrally and distributed according to formula to each unit of government imposing a sales tax at the end of the second month after they have been collected by the retailer.

The property tax year runs from Jan 1st – Dec 31st of each year. Governing bodies actually establish a lien against properties as of the January 1st date even though the taxes are not due until November 30th. Each County bills and collects property taxes for all taxing entities within the County. Collections are distributed to the taxing entities monthly, with final settlement due March 31st of the subsequent year. The City records a receivable for those items actually collected by the County Treasurer but not yet transferred to the City and also the amount that is identified as a lien against the property to fund the coming year's services. This is shown as \$2,250,955 of the taxes receivable and also a deferred inflow of resources.

Prepaid Expenses - Prepaid expenses consist of certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements and expensed as the items are used. The City uses the consumption method to record these items as expenditures when they are used rather than when they are purchased.

Inventory – Inventory in the General Fund consists of postage, other post office supplies, and road and street lighting supplies which are priced at cost using the first-in/first out method. Inventory in the enterprise funds consists of materials used in the repair of collection and distribution lines and refuse receptacles which are priced at cost using the first-in/first out method. The City uses the consumption method for inventories, under which inventory items are considered expenditures when used, rather than when purchased.

Due to/Due from other funds - All cash and cash equivalents are accounted for in a pooled cash process. The money from each fund is combined to simplify the banking process. A particular fund may make disbursements of funds that have not physically been received. This technically requires that they draw from other fund's resources within the combined total. When this cash deficit occurs a *due to* account is charged in the funds requiring additional funds and a *due from* account is selected to offset the use of funds.

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Capital Assets - The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated acquisition value on the date of donation.

Capital assets purchased or constructed by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Water Stock is recorded as a capital asset. It is considered a key element of infrastructure rather than an investment instrument. Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Land improvements	30-50
Infrastructure Improvements	30-40
Buildings and structures	30-50
Equipment, vehicles, and furnishings	5 – 20

Capital assets are reported in the applicable governmental or business-type activities columns in the government wide financial statements.

Deferred Outflows/Inflows of Resources – In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items reported under this category. The City reports deferred charges on refunding and deferred outflows related to pensions (discussed below) in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenue from property taxes (described more fully in Note 6) and deferred inflows related to pensions (discussed below) in this category.

Compensated Absences - City permanent full-time employees accrue vacation leave up to a maximum of 240 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0 – 4 years	3.08 (10 days per year)
5 – 9 years	3.69 (12 days per year)
10 – 14 years	4.61 (15 days per year)
Over 14 years	6.15 (20 days per year)

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Compensated Absences (Continued) - Employees are allowed to carry up to 240 hours of unused vacation leave each year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the city manager. The rate is one and one-half hours for each hour worked, with a maximum accrual of 480 hours for public safety employees and 240 hours for all others.

Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as expenses when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

Permanent full-time employees accrue sick leave at a rate of 3.69 hours for each two-week pay-period. Sick leave may accrue to a maximum of 1,040 hours. Sick leave is recorded as an expenditure/expense when used in all funds. Upon retirement, the City will pay the employee for 20% of all unused sick leave hours. The employee who is terminated or resigns shall not be compensated for unused accrued sick leave. The City accrues a sick leave liability for 20% of the sick leave balance of employees estimated to retire within the next five years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations - In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances - The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balances / Net Position (Continued)

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

- a. Nonspendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment.
- d. Assigned fund balance – Amounts that are designated by the Mayor for a specific purpose but are not spendable until budget ordinance is passed by City Council. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose. The general fund is the only fund that reports a positive unassigned fund balance; however, if expenditures are incurred in other governmental funds that exceed the fund balance restricted, committed or assigned for a specific purpose, the fund would report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide Statements

The government-wide statements classify net position in three components:

- (1) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, deferred inflows of resources or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- (3) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures

Following are the City's significant policies related to recognition and reporting of certain revenues and expenditures:

Revenue Availability - Under the *modified accrual basis of accounting*, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Syracuse City considers property tax revenues to be "available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Sales taxes are considered revenue when they have been collected at the point of sale. Grants are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available and susceptible to accrual if they are received within 60 days after year-end.

Expenditure Recognition - In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents". Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. Utah statutes do not require deposits to be collateralized. Following are discussions of the City's exposure to various risks related to its cash management activities.

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk. Cash on hand at June 30, 2018 was \$1,525. The carrying amount of deposits was \$762,974 and the bank balance was \$773,107. Of the bank balance, \$353,034 was covered by federal depository insurance and \$420,073 was uninsured and uncollateralized.

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivision of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund (PTIF). The PTIF is not registered with the SEC as an investment company.

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2018, all of the \$17,727,453 of City investments were deposited with the PTIF. This investment matures in less than a year and is not rated.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2018, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 1,525	1	\$ 1,525	N/A	N/A
Cash on deposit	761,449	1	761,449	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>17,727,453</u>	1.003788	<u>17,794,604</u>	N/A	N/A
Total cash on hand and deposit	<u>\$18,490,428</u>		<u>\$18,557,579</u>		

The fair value measurement of the City’s PTIF investments is considered level 2.

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City’s investments are noted in the table below.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act as previously discussed.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City’s investment in the Utah Public Treasurer’s Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2018 are as follows:

Cash on hand and on deposit:	
Petty Cash	\$ 1,525
Cash on Deposit	761,449
PTIF Investment	<u>17,727,453</u>
Total cash and investments	<u>\$ 18,490,428</u>
 Cash and investments are included in the accompanying combined statement of net position as follows:	
Cash and cash equivalents	\$ 9,813,525
Restricted cash and cash equivalents	<u>8,676,903</u>
Total cash and investments	<u>\$ 18,490,428</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 ACCOUNTS RECEIVABLE, NET & ALLOWANCE FOR DOUBTFUL ACCOUNTS

Fund Type	Outstanding Balance	Allowance for Doubtful Accounts	Net
Governmental Funds	\$ 144,517	\$ (2,764)	\$ 141,753 *
Enterprise Funds	848,271	(33,931)	814,340
Total	\$ 992,788	\$ (36,695)	\$ 956,093

* Governmental fund net accounts receivable balance includes an ambulance receivable booked at \$73,022. The ambulance receivable was booked net of \$40,526 that management has estimated to be uncollectible.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2018:

Customer/developer deposits	\$ 451,984
Retainage payable	121,340
North Davis Sewer District unremitted impact fee payable	143,714
Impact fees	6,956,830
Road maintenance	903,264
RAP tax	50,839
State liquor allotment	48,932
Total restricted assets	\$ 8,676,903

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2018, is as follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 11,102,678	\$ 46,320	\$ -	\$ 11,148,998
Construction in progress	153,566	2,175,026	(950,600)	1,377,992
Total capital assets, not being depreciated	11,256,244	2,221,346	(950,600)	12,526,990
Capital assets, being depreciated				
Land improvements	4,871,743	537,236	-	5,408,979
Buildings and structures	21,519,222	106,428	-	21,625,650
Equipment, vehicles, and furnishings	5,504,621	689,425	(155,967)	6,038,079
Infrastructure	46,901,995	4,484,993	-	51,386,988
Total capital assets, being depreciated	78,797,581	5,818,082	(155,967)	84,459,696
Less accumulated depreciation for				
Land improvements	(1,206,511)	(164,316)	-	(1,370,827)
Buildings and structures	(7,233,725)	(717,603)	-	(7,951,328)
Equipment, vehicles, and furnishings	(3,880,757)	(387,498)	147,217	(4,121,038)
Infrastructure	(17,321,271)	(1,548,519)	-	(18,869,790)
Total accumulated depreciation	(29,642,264)	(2,817,936)	147,217	(32,312,983)
Total capital assets, being depreciated, net	49,155,317	3,000,146	(8,750)	52,146,713
Governmental activities capital assets, net	<u>\$ 60,411,561</u>	<u>\$ 5,221,492</u>	<u>\$ (959,350)</u>	<u>\$ 64,673,703</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 302,909
Public safety	432,334
Highways and public works	1,688,506
Parks and recreation	394,187
Total depreciation expense - governmental activities	<u>\$ 2,817,936</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2018:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-type Activities				
Capital assets, not being depreciated				
Water stock/rights	\$ 12,393,645	\$ 2,022,166	\$ -	\$ 14,415,811
Land	46,433	-	-	46,433
Construction in process	602,087	4,365,773	(1,024,504)	3,943,356
Total capital assets, not being depreciated	<u>13,042,165</u>	<u>6,387,939</u>	<u>(1,024,504)</u>	<u>18,405,600</u>
Capital assets, being depreciated				
Land improvements	1,004,658	-	-	1,004,658
Buildings and structures	738,200	-	-	738,200
Equipment, vehicles, and furnishings	1,524,460	126,560	(126,560)	1,524,460
Infrastructure	65,708,656	4,847,739	-	70,556,395
Total capital assets, being depreciated	<u>68,975,974</u>	<u>4,974,299</u>	<u>(126,560)</u>	<u>73,823,713</u>
Less accumulated depreciation for				
Land improvements	(255,332)	(20,093)	-	(275,425)
Builds and improvements	(243,330)	(23,851)	-	(267,181)
Equipment, vehicles, and furnishings	(1,121,686)	(105,524)	13,711	(1,213,499)
Infrastructure	(20,599,394)	(1,706,021)	-	(22,305,415)
Total accumulated depreciation	<u>(22,219,742)</u>	<u>(1,855,489)</u>	<u>13,711</u>	<u>(24,061,520)</u>
Total capital assets, being depreciated, net	<u>46,756,232</u>	<u>3,118,810</u>	<u>(112,849)</u>	<u>49,762,193</u>
Business-type activities capital assets, net	<u><u>\$ 59,798,397</u></u>	<u><u>\$ 9,506,749</u></u>	<u><u>\$ (1,137,353)</u></u>	<u><u>\$ 68,167,793</u></u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities	
Culinary water	\$ 609,701
Sewer	535,959
Secondary water	442,991
Storm water	<u>266,838</u>
Total depreciation expense - business-type activities	<u><u>\$ 1,855,489</u></u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 DEFERRED INFLOWS

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred inflow in the General Fund and RDA Fund in the amounts of \$2,160,019 and \$90,936, respectively. The General Fund also recorded cash received for the coming year’s property taxes as a deferred inflow in the amount of \$31,634.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2018 was not expected to be received within 30 days after the year ended June 30, 2018, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2018.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

General fund deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances. As of June 30, 2018, the general fund developer and customer deposits balance held by the City was \$300,368.

Residential utility customers pay a \$100 deposit when they sign up for utilities. This is held by the City until twelve consecutive timely utility payments are made. It is then refunded to the customer. Additionally, the City collects and holds deposits from developers for storm water and fire hydrants. As of June 30, 2018, the enterprise fund customer and developer deposits balances held by the City was \$151,616.

NOTE 8 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2018:

	Long-term debt payable at June 30, 2017	Additions	Reductions	Long-term debt payable at June 30, 2018	Due within One Year
Governmental activities					
2016 MBA Lease Refunding	\$ 10,397,000	\$ -	\$ (857,000)	\$ 9,540,000	\$ 876,000
Capital Lease - Police Vehicles	203,467	-	(100,916)	102,551	102,551
Capital Lease - Street Lights	282,356	-	(86,946)	195,410	93,472
Total bonds and leases payable	10,882,823	-	(1,044,862)	9,837,961	1,072,023
Compensated absences	590,357	395,552	(317,243)	668,666	62,100
Governmental activity long-term liabilities	<u>\$ 11,473,180</u>	<u>\$ 395,552</u>	<u>\$ (1,362,105)</u>	<u>\$ 10,506,627</u>	<u>\$ 1,134,123</u>
Business-type activities					
Compensated absences	\$ 68,073	\$ 40,843	\$ (34,641)	\$ 74,275	\$ 6,766
Business-type activity long-term liabilities	<u>\$ 68,073</u>	<u>\$ 40,843</u>	<u>\$ (34,641)</u>	<u>\$ 74,275</u>	<u>\$ 6,766</u>

The General Fund provides the resources for the retirement of a portion of compensated absences payable.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2016 MBA Lease Revenue Refunding Bonds

On April 1, 2016, the MBA refinanced the remaining portion of the 2006 MBA Facilities Bond, as well as the 2012 MBA Fire Station Bond and the 2014 MBA Lease Revenue Refunding Bonds, and issued \$11,246,000 in Lease Revenue Refunding bonds, Series 2016. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures; the original purpose of the 2012 bonds was to refund the 2008 bonds, which were used to construct a fire station; and the original purpose of the 2014 bonds was to refund a portion of the 2006 bonds. The refinance provided a debt service savings to the city of \$798,757 and a net savings of \$693,068. The economic gain on this refunding was \$711,440. The lease revenue refunding bonds are due in annual principal installments through April 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 1.90%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0.

The annual debt service requirements to maturity for the MBA Lease Revenue Refunding Bonds, Series 2016, as of June 30, 2018, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 876,000	\$ 183,778	\$ 1,059,778
2020	894,000	167,360	1,061,360
2021	907,000	149,680	1,056,680
2022	925,000	132,208	1,057,208
2023	948,000	114,389	1,062,389
2024-2028	4,990,000	292,204	5,282,204
Total	<u>\$ 9,540,000</u>	<u>\$ 1,039,619</u>	<u>\$ 10,579,619</u>

2014 Capital Lease – Police Vehicles

On November 26, 2014, Syracuse City purchased ten police vehicles and a Code Enforcement truck through a capital lease agreement for \$400,500. The lease has an interest rate of 1.620% with principal and interest payments due annually beginning November 26, 2015 and ending on November 26, 2018. Collateral on this lease is the police vehicles and all additions, and accessories on them. As of June 30, 2018, these assets have a total accumulated depreciation of \$273,675.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2019	<u>\$ 104,212</u>
Total minimum lease payments	104,212
Less: amount representing interest	<u>(1,661)</u>
Present value of minimum lease payments	<u>\$ 102,551</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2012 Capital Lease – Street Lights

On April 13, 2012, the City acquired street lights through a capital lease for \$620,268. The lease has an interest rate of 3.15% with principal and interest payments due semi-annually beginning April 13, 2012 and ending April 13, 2020. Collateral on this lease is the various light fixtures, poles and equipment in the street, parks, and parking lots. The historical cost on the various light fixtures, poles and equipment in the street, parks, and parking lots purchased with lease proceeds and supplemented with City funds totaled \$680,440. As of June 30, 2018, these assets have a total accumulated depreciation of \$128,528.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2019	\$ 98,849
2020	<u>104,316</u>
Total minimum lease payments	203,165
Less: amount representing interest	<u>(7,754)</u>
Present value of minimum lease payments	<u><u>\$ 195,411</u></u>

These lease agreements qualify for capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. All amortization expense for the capital leases has been included in depreciation expense.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had \$5,838,277 in outstanding construction commitments at June 30, 2018, as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Paid/Accrued to Date</u>	<u>Commitment Outstanding</u>
2000 West Improvement Project	\$ 2,051,441	\$ 500,000	\$ 1,551,441
500 West Environmental Study	39,443	-	39,443
Bluff & Gentile Roundabout Project	218,575	32,786	185,789
Melanie Lane Project	646,118	243,297	402,821
Ranchettes Project	3,062,500	2,144,018	918,482
Regional Park Design contract	395,500	34,558	360,942
Centennial Park Splash Pad - The Island	1,680,000	291,527	1,388,473
Surface Treatments Project	<u>1,292,983</u>	<u>302,097</u>	<u>990,886</u>
Total Construction Commitments Outstanding	<u><u>\$ 9,386,560</u></u>	<u><u>\$ 3,548,283</u></u>	<u><u>\$ 5,838,277</u></u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has purchased commercial insurance through Olympus Insurance to mitigate the costs of these risks. The City's responsibility extends only to the payment of premiums and deductibles on general liability claims. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior five years.

The table below illustrates the coverage limits and deductibles for the main areas of risks that the City is exposed to:

	<u>Coverage Limits</u>	<u>Deductible</u>
General Liability	\$ 2,000,000	\$ -
Employee Benefits Liability	2,000,000	1,000 *
Employment Practices Liability	2,000,000	10,000 *
Law Enforcement Liability	2,000,000	10,000 *
Management/Cyber Liability	2,000,000	5,000 *
Automobile Liability	1,000,000	-
Automobile Physical Damage	Under 100,000	500 *
Automobile Physical Damage	Over 100,000	2,500 *
Building	31,040,250	1,000 *
Building Contents	4,037,700	1,000 *
Electronic Data Processing	450,000	1,000 *
Equipment in Open	150,000	1,000 *
Inland Marine	1,310,663	500 *
Crime	3,000,000	1,000 *
Excess Liability	10,000,000	Excess of underlying *

* Deductible is per incidence

NOTE 11 RETIREMENT PLANS

Plan description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost sharing, public employees retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost sharing, public employees retirement system.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds.

URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

Contribution rates as of June 30, 2018 are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k)
Contributory System:			
111 Local Government Div - Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	22.57%	1.26%
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	3.93%	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	10.82%	1.26%
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	11.83%	12.00%
232 Firefighters	N/A	0.08%	12.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 261,560	N/A
Public Safety System	320,271	-
Firefighters System	22,837	-
Tier 2 Public Employees System	112,321	-
Tier 2 Public Safety and Firefighter	86,869	-
Tier 2 DC Only System	27,630	N/A
Total Contributions	\$ 831,488	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, we reported a net pension asset of \$117,764 and a net pension liability of \$1,875,322.

	(Measurement Date): December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2016	Change (Decrease)
Noncontributory System	\$ -	\$ 868,307	0.1981849%	0.1925808%	0.0056041%
Public Safety System	-	1,000,667	0.6379115%	0.5525375%	0.0853740%
Firefighters System	113,563	-	1.8182585%	1.8522833%	-0.0340248%
Tier 2 Public Employees System	-	6,348	0.0720038%	0.0668706%	0.0051332%
Tier 2 Public Safety and Firefighter	4,201	-	0.3630793%	0.3780014%	-0.0149221%
	<u>\$ 117,764</u>	<u>\$ 1,875,322</u>			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, we recognized pension expense of \$901,907.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,799	\$ 259,472
Changes in assumptions	853,108	71,652
Net difference between projected and actual earnings on pension plan investments	444,359	1,163,965
Changes in proportion and differences between contributions and proportionate share of contributions	157,861	20,032
Contributions subsequent to the measurement date	416,400	-
	<u>\$ 1,893,527</u>	<u>\$ 1,515,121</u>

\$416,400 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 154,502
2019	185,387
2020	(180,494)
2021	(243,283)
2022	20,608
Thereafter	25,286
	<u>\$ (37,994)</u>

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$304,312.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 19,369	\$ 53,139
Changes in assumptions	311,891	20,287
Net difference between projected and actual earnings on pension plan investments	186,941	490,874
Changes in proportion and differences between contributions and proportionate share of contributions	16,203	19,186
Contributions subsequent to the measurement date	126,291	-
	<u>\$ 660,695</u>	<u>\$ 583,486</u>

\$126,291 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 41,494
2019	69,108
2020	(52,685)
2021	(106,999)
2022	-
Thereafter	-
	<u>\$ (49,082)</u>

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$448,342.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 146,765
Changes in assumptions	368,482	13,789
Net difference between projected and actual earnings on pension plan investments	180,037	462,797
Changes in proportion and differences between contributions and proportionate share of contributions	127,417	-
Contributions subsequent to the measurement date	162,792	-
	<u>\$ 838,728</u>	<u>\$ 623,351</u>

\$162,792 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 116,713
2019	122,300
2020	(85,635)
2021	(100,793)
2022	-
Thereafter	-
	<u>\$ 52,585</u>

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$49,357.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 53,610
Changes in assumptions	154,994	36,574
Net difference between projected and actual earnings on pension plan investments	74,353	195,453
Changes in proportion and differences between contributions and proportionate share of contributions	1,403	846
Contributions subsequent to the measurement date	12,193	-
	<u>\$ 242,943</u>	<u>\$ 286,483</u>

\$12,193 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (3,228)
2019	(5,544)
2020	(41,563)
2021	(33,433)
2022	22,279
Thereafter	<u>5,756</u>
	<u><u>\$ (55,733)</u></u>

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$60,960.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 238	\$ 5,945
Changes in assumptions	8,542	643
Net difference between projected and actual earnings on pension plan investments	1,991	9,234
Changes in proportion and differences between contributions and proportionate share of contributions	7,211	-
Contributions subsequent to the measurement date	<u>71,174</u>	<u>-</u>
	<u><u>\$ 89,156</u></u>	<u><u>\$ 15,822</u></u>

\$71,174 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (575)
2019	(575)
2020	(669)
2021	(1,617)
2022	(1,375)
Thereafter	6,971
	<u>\$ 2,160</u>

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2018, we recognized pension expense of \$38,936.

At June 30, 2018 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,192	\$ 13
Changes in assumptions	9,199	359
Net difference between projected and actual earnings on pension plan investments	1,037	5,607
Changes in proportion and differences between contributions and proportionate share of contributions	5,627	-
Contributions subsequent to the measurement date	43,950	-
	<u>\$ 62,005</u>	<u>\$ 5,979</u>

\$43,950 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2018	\$ 98
2019	98
2020	58
2021	(441)
2022	(296)
Thereafter	12,559
	<u>\$ 12,076</u>

Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actual experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	40.00%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 2,348,311	\$ 868,307	\$ (362,242)
Public Safety System	2,521,226	1,000,667	(231,732)
Firefighters System	484,526	(113,563)	(596,823)
Tier 2 Public Employees System	74,749	6,348	(46,398)
Tier 2 Public Safety and Firefighter	37,203	(4,201)	(35,834)
Total	\$ 5,466,015	\$ 1,757,558	\$ (1,273,029)

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 11 RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Syracuse City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457 (b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plan for fiscal year ended June 30, were as follows:

	2018	2017	2016
<i>401(k) Plan</i>			
Employer Contributions	\$ 64,854	\$ 49,972	\$ 43,429
Employee Contributions	88,513	88,655	78,802
<i>457 Plan</i>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	28,531	18,948	16,967
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,693	\$ 3,600	\$ 400

NOTE 12 REDEVELOPMENT AGENCY

The City Redevelopment Agency (RDA) was established in 1992 to target specific areas of the City that were planned for improvements. The RDA funds identified improvements to the project area properties. These improvements are authorized to be funded using the concept of property tax increment. This funding is provided by taking the property tax dollars that are paid on any increased value of the properties and improvements from the time the project was identified as those properties are developed until the defined amount has been recovered. These improvements act as a publicly funded stimulation to the project area intended to encourage private development of those areas.

The RDA has established four project areas, 1700 South established in 1993 (Town Center), 750 West established in 2004, the SR-193 Economic Development Area (EDA) established in 2012, and the Antelope Drive Community Development Area (CDA) established in August 2016. The 1700 South and 750 West project areas have a 25 year life, the SR-193 EDA project area has a 15 year life, and the Antelope Drive CDA has a 20 year life. This is the twelfth year that the 1700 South and 750 West project areas have received tax increment payments from the property tax system. This is the fourth year that the SR-193 EDA project area has received a tax increment from the property tax system. The Antelope Drive CDA has not triggered as of June 30, 2018.

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 12 REDEVELOPMENT AGENCY (Continued)

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2018:

Property Tax Increment Received:	
<u>Project Area 1</u>	
Town Center	\$ 181,113
<u>Project Area 2</u>	
750 West	96,291
<u>Project Area 3</u>	
SR-193	335,296
<u>Project Area 4</u>	
Antelope Drive	-
Total tax increment received by RDA	<u><u>\$ 612,700</u></u>
Property Tax Increment Expended:	
Administrative costs	\$ 62,469
Reimbursement of site improvements	514,588
Total tax increment expended by RDA	<u><u>\$ 577,057</u></u>

NOTE 13 MUNICIPAL BUILDING AUTHORITY

The Municipal Building Authority of Syracuse (the MBA) was established in August 2006 to allow the City to streamline the funding and construction of city facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt is paid off and the properties are then deeded to the City.

The initial lease agreement between the City and the MBA is for the new City Hall, an addition to the City Shops, and remodeled/enlarged public safety facilities from the existing City Hall and Public Safety buildings. Bonds were issued in December 2006 and construction has been completed on all structures.

A supplemental lease agreement was entered into between the City and the MBA in 2007. This adds a new fire station to the group of buildings constructed on behalf of the City by the MBA. Bonds for the financing of this facility were issued in March 2008 by the MBA and all construction has been completed.

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued \$5,572,000 in Lease Revenue Bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the City of \$249,879 and a net savings of \$184,879.

During 2015, the MBA issued the 2014 Lease Revenue Refunding bonds to complete a partial advance refunding of 2006 Bond. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the City of \$339,427 and a net savings of \$277,564.

During 2016, the MBA issued the 2016 Lease Revenue Refunding bonds to refund the remainder of the 2006 bond and to refund the 2012 bond and the 2014 bond. The refinance provided a debt service savings to the City of \$798,757 and a net savings of \$693,068.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 TRANSFERS

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2018, are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ -	\$ 1,316,000
MBA	66,000	-
Capital Projects	1,250,000	750,000
Enterprise:		
Storm Water	200,000	-
Culinary Water	320,000	-
Sewer	230,000	-
	<u>\$ 2,066,000</u>	<u>\$ 2,066,000</u>

The General Fund transferred \$66,000 in public safety impact fees to the MBA Fund to help pay down the bond on the fire station. The General Fund also transferred \$1,250,000 to the Capital Projects Fund for the acquisition or construction of capital assets. Lastly, the Capital Projects Fund transferred \$750,000 to the enterprise funds for the construction and repair of utility infrastructure.

NOTE 15 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2018, consists of the following:

Utah Class "C" Road Allotment	\$ 1,014,400	46.24%
County Highway & Public Transit Portion	300,377	13.69%
Utah Liquor Law Enforcement Grant	17,396	0.79%
Various State and Local Law Enforcement Grants	143,418	6.54%
Various Miscellaneous State Grants	10,617	0.48%
Reimbursement from UDOT for 2000 West Project	680,408	31.01%
Miscellaneous Federal Grants	27,292	1.24%
	<u>\$ 2,193,908</u>	<u>100.00%</u>

REQUIRED SUPPLEMENTARY INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Property	\$ 2,175,883	\$ 2,181,000	\$ 2,094,314	\$ (86,686)
Fee-in-lieu	175,000	185,000	191,332	6,332
Delinquent prior years'	25,000	25,000	17,271	(7,729)
Sales and use	3,953,800	4,095,000	4,128,730	33,730
Franchise	1,485,000	1,485,000	1,483,372	(1,628)
Licenses and permits	811,400	811,400	907,187	95,787
Intergovernmental	1,721,393	1,903,393	1,509,301	(394,092)
Fines and forfeitures	201,000	216,000	232,479	16,479
Charges for services	1,999,034	2,167,634	2,190,366	22,732
Impact fees	988,200	988,200	1,297,295	309,095
Management fees	38,562	38,562	38,070	(492)
Interest	55,600	73,100	131,620	58,520
Miscellaneous	148,200	170,700	177,688	6,988
Total Revenues	13,778,072	14,339,989	14,399,025	59,036
Expenditures				
Current:				
General government:				
City council	40,553	41,553	39,229	2,324
City court	187,379	187,379	176,694	10,685
Administration	874,348	866,978	774,209	92,769
Community and economic development	726,091	726,091	691,217	34,874
Buildings and grounds	360,742	360,742	327,434	33,308
Information systems	208,708	208,708	208,706	2
Lease payment	994,000	994,000	994,000	-
Total general government	3,391,821	3,385,451	3,211,489	173,962
Public safety:				
Police department	2,942,093	2,964,593	2,939,702	24,891
Fire department	1,804,749	1,817,249	1,716,959	100,290
Total public safety	4,746,842	4,781,842	4,656,661	125,181
Highways and public improvements:				
Streets department	352,836	946,836	439,512	507,324
Street lighting	238,700	347,200	261,296	85,904
Class "C" roads	560,605	1,137,605	505,742	631,863
Total highways and public improv.	1,152,141	2,431,641	1,206,550	1,225,091
Parks and recreation	2,026,099	3,293,389	1,464,258	1,829,131
Debt service:				
Debt principal	96,700	96,700	86,946	9,754
Debt interest and fees	-	-	8,166	(8,166)
Total debt service	96,700	96,700	95,112	1,588
Capital Outlay	1,974,011	1,981,711	1,171,247	810,464
Total Expenditures	\$ 13,387,614	\$ 15,970,734	\$ 11,805,317	\$ 4,165,417

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 390,458</u>	<u>\$ (1,630,745)</u>	<u>\$ 2,593,708</u>	<u>\$ 3,413,989</u>
Other Financing Sources (Uses)				
Transfer out	(689,883)	(1,396,000)	(1,316,000)	80,000
Sale of capital assets	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(689,883)</u>	<u>(1,395,000)</u>	<u>(1,315,000)</u>	<u>80,000</u>
Net Change in Fund Balance	<u><u>\$ (299,425)</u></u>	<u><u>\$ (3,025,745)</u></u>	<u>1,278,708</u>	<u><u>\$ 3,493,989</u></u>
Fund Balance, Beginning			<u>6,634,082</u>	
Fund Balance, Ending			<u><u>\$ 7,912,790</u></u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues				
Taxes	\$ 548,550	\$ 551,718	\$ 612,700	\$ 60,982
Interest	8,000	8,000	17,873	9,873
Miscellaneous	5,268	5,268	4,834	(434)
Total Revenues	<u>561,818</u>	<u>564,986</u>	<u>635,407</u>	<u>70,421</u>
Expenditures				
Redevelopment	<u>592,699</u>	<u>593,049</u>	<u>577,057</u>	<u>15,992</u>
Total Expenditures	<u>592,699</u>	<u>593,049</u>	<u>577,057</u>	<u>15,992</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(30,881)</u>	<u>(28,063)</u>	<u>58,350</u>	<u>86,413</u>
Other Financing Sources (Uses)				
Transfer in	<u>73,883</u>	<u>77,715</u>	<u>-</u>	<u>(77,715)</u>
Total Other Financing Sources (Uses)	<u>73,883</u>	<u>77,715</u>	<u>-</u>	<u>(77,715)</u>
Net Change in Fund Balance	<u>\$ 43,002</u>	<u>\$ 49,652</u>	<u>58,350</u>	<u>\$ 8,698</u>
Fund Balance, Beginning			<u>972,643</u>	
Fund Balance, Ending			<u>\$ 1,030,993</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –MUNICIPAL BUILDING AUTHORITY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Lease revenue	\$ 994,000	\$ 994,000	\$ 994,000	\$ -
Interest	10	10	187	177
Total Revenues	<u>994,010</u>	<u>994,010</u>	<u>994,187</u>	<u>177</u>
Expenditures				
Miscellaneous	3,010	3,010	2,610	400
Debt service:				
Principal	857,000	857,000	857,000	-
Interest	200,500	200,500	199,002	1,498
Total Expenditures	<u>1,060,510</u>	<u>1,060,510</u>	<u>1,058,612</u>	<u>1,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(66,500)</u>	<u>(66,500)</u>	<u>(64,425)</u>	<u>2,075</u>
Other Financing Sources (Uses)				
Transfer in	66,000	66,000	66,000	-
Total Other Financing Sources (Uses)	<u>66,000</u>	<u>66,000</u>	<u>66,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (500)</u>	<u>\$ (500)</u>	<u>1,575</u>	<u>\$ 2,075</u>
Fund Balance, Beginning			<u>4,640</u>	
Fund Balance, Ending			<u>\$ 6,215</u>	

SYRACUSE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2017
Last 10 years*

For the year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered Payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System					
2017	0.1981849%	\$ 868,307	\$ 1,458,510	59.53%	91.9%
2016	0.1925808%	1,236,604	1,481,157	83.49%	87.3%
2015	0.1953789%	1,105,549	1,514,846	72.98%	87.8%
2014	0.2011432%	873,411	1,586,756	55.04%	90.2%
Public Safety System					
2017	0.6379115%	\$ 1,000,667	\$ 886,084	112.93%	90.2%
2016	0.5525375%	1,121,251	745,190	150.47%	86.5%
2015	0.5163099%	924,841	682,770	135.45%	87.1%
2014	0.5009609%	630,000	690,281	91.27%	90.5%
Firefighters Retirement System					
2017	1.8182585%	\$ (113,563)	\$ 600,545	-18.91%	103.0%
2016	1.8522833%	(14,602)	604,218	-2.42%	100.4%
2015	1.8360255%	(33,254)	576,037	-5.77%	101.0%
2014	1.8434027%	(105,192)	564,673	-18.63%	103.5%
Tier 2 Public Employees Retirement System					
2017	0.0720038%	\$ 6,348	\$ 704,993	0.90%	97.4%
2016	0.0668706%	7,459	548,389	1.36%	95.1%
2015	0.0640237%	(140)	413,555	-0.03%	100.2%
2014	0.0772345%	(2,341)	378,986	-0.62%	103.5%
Tier 2 Public Safety and Firefighters Retirement					
2017	0.3630793%	\$ (4,201)	\$ 383,192	-1.10%	103.0%
2016	0.3780014%	(3,281)	312,314	-1.05%	103.6%
2015	0.4820934%	(7,044)	286,855	-2.46%	110.7%
2014	0.5041142%	(7,457)	208,314	-3.58%	120.5%

**The 10-year schedule will be built prospectively. The schedule above is only for the years listed.*

**SYRACUSE CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS**

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System					
2018	\$ 261,560	\$ 261,560	\$ -	\$ 1,422,363	18.39%
2017	267,344	267,344	-	1,452,437	18.41%
2016	281,357	281,357	-	1,527,813	18.42%
2015	281,375	281,375	-	1,527,768	18.42%
2014	277,955	277,955	-	1,607,649	17.29%
Public Safety System					
2018	\$ 320,271	\$ 320,271	\$ -	\$ 939,456	34.09%
2017	279,923	279,923	-	822,334	34.04%
2016	235,433	235,433	-	691,637	34.04%
2015	225,485	225,485	-	662,412	34.04%
2014	243,950	243,950	-	756,815	32.23%
Firefighters System					
2018	\$ 22,837	\$ 22,837	\$ -	\$ 607,372	3.76%
2017	20,449	20,449	-	610,300	3.35%
2016	20,148	20,148	-	588,108	3.43%
2015	18,699	18,699	-	570,967	3.27%
2014	14,178	14,178	-	558,850	2.54%
Tier 2 Public Employees System*					
2018	\$ 112,321	\$ 112,321	\$ -	\$ 743,358	15.11%
2017	97,114	97,114	-	651,330	14.91%
2016	65,153	65,153	-	436,974	14.91%
2015	62,827	62,827	-	420,529	14.94%
2014	45,330	45,330	-	324,016	13.99%
Tier 2 Public Safety and Firefighter System*					
2018	\$ 86,869	\$ 86,869	\$ -	\$ 428,295	20.28%
2017	69,297	69,297	-	329,763	21.01%
2016	63,847	63,847	-	303,850	21.01%
2015	51,398	51,398	-	245,600	20.93%
2014	32,673	32,673	-	173,528	18.83%
Tier 2 Public Employees DC Only System*					
2018	\$ 27,630	\$ 27,630	\$ -	\$ 323,773	8.53%
2017	22,232	22,232	-	246,323	9.03%
2016	18,135	18,135	-	271,072	6.69%
2015	11,994	11,994	-	178,476	6.72%
2014	8,797	8,797	-	157,657	5.58%
Tier 2 Public Safety and Firefighter DC Only System*					
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2017	749	749	-	6,335	11.82%
2016	4,439	4,439	-	37,520	11.83%
2015	1,512	1,512	-	12,780	11.83%
2014	-	-	-	-	0.00%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011.

Contributions as a percentage of covered-payroll may be different than the board-certified rate due to rounding and other administrative issues.

SYRACUSE CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial evaluation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

SUPPLEMENTAL INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues				
Intergovernmental revenue	\$ 250,596	\$ 8,000	\$ 4,199	\$ (3,801)
Interest	5,000	5,000	22,755	17,755
Total Revenues	<u>255,596</u>	<u>13,000</u>	<u>26,954</u>	<u>13,954</u>
Expenditures				
Parks and recreation	-	-	670	(670)
Capital outlay	1,503,051	1,798,686	1,419,920	378,766
Debt service:				
Principal	104,500	104,500	100,917	3,583
Interest	-	-	3,296	(3,296)
Total Expenditures	<u>1,607,551</u>	<u>1,903,186</u>	<u>1,524,803</u>	<u>378,383</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,351,955)</u>	<u>(1,890,186)</u>	<u>(1,497,849)</u>	<u>392,337</u>
Other Financing Sources (Uses)				
Transfer in	550,000	1,250,000	1,250,000	-
Transfer out	(750,000)	(750,000)	(750,000)	-
Sale of capital assets	-	8,850	17,550	8,700
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>508,850</u>	<u>517,550</u>	<u>8,700</u>
Net Change in Fund Balance	<u>\$ (1,551,955)</u>	<u>\$ (1,381,336)</u>	<u>(980,299)</u>	<u>\$ 401,037</u>
Fund Balance, Beginning			<u>1,977,045</u>	
Fund Balance, Ending			<u>\$ 996,746</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – CULINARY WATER FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,968,690	\$ 1,988,690	\$ 2,084,890	\$ 96,200
Connection and servicing fees	97,500	97,500	119,622	22,122
Intergovernmental	200,000	414,760	359,796	(54,964)
Miscellaneous	1,000	1,000	5,364	4,364
Total Operating Revenues	<u>2,267,190</u>	<u>2,501,950</u>	<u>2,569,672</u>	<u>67,722</u>
Operating Expenses				
Salaries, wages, and benefits	353,520	353,520	350,377	3,143
Operations and maintenance	566,841	586,841	555,586	31,255
Professional services	490,000	490,000	479,612	10,388
Depreciation	585,000	612,000	609,701	2,299
Miscellaneous	1,500	1,500	436	1,064
Total Operating Expenses	<u>1,996,861</u>	<u>2,043,861</u>	<u>1,995,712</u>	<u>48,149</u>
Operating Income (Loss)	<u>270,329</u>	<u>458,089</u>	<u>573,960</u>	<u>115,871</u>
Nonoperating Income (Expense)				
Interest income	14,000	14,000	36,230	22,230
Gain (loss) from sale of capital assets	149,000	149,000	36,251	(112,749)
Total Nonoperating Income (Expense)	<u>163,000</u>	<u>163,000</u>	<u>72,481</u>	<u>(90,519)</u>
Income (loss) before capital contributions	<u>433,329</u>	<u>621,089</u>	<u>646,441</u>	<u>25,352</u>
Capital Contributions:				
Impact fees	289,800	289,800	310,895	21,095
Developer contributions	-	-	1,321,173	1,321,173
Transfers in	<u>320,000</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Change in Net Position	<u>\$ 1,043,129</u>	<u>\$ 1,230,889</u>	<u>2,598,509</u>	<u>\$ 1,367,620</u>
Net Position, Beginning			<u>17,888,262</u>	
Net Position, Ending			<u>\$ 20,486,771</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SEWER FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 2,714,980	\$ 2,818,980	\$ 2,829,249	\$ 10,269
Connection and servicing fees	90,000	90,000	106,200	16,200
Miscellaneous	9,000	9,000	12,807	3,807
Total Operating Revenues	<u>2,813,980</u>	<u>2,917,980</u>	<u>2,948,256</u>	<u>30,276</u>
Operating Expenses				
Salaries, wages, and benefits	268,799	268,799	244,964	23,835
Operations and maintenance	177,118	177,118	156,703	20,415
Professional services	2,100,900	2,150,000	2,123,901	26,099
Depreciation	520,000	536,000	535,959	41
Miscellaneous	1,000	1,000	-	1,000
Total Operating Expenses	<u>3,067,817</u>	<u>3,132,917</u>	<u>3,061,527</u>	<u>71,390</u>
Operating Income (Loss)	<u>(253,837)</u>	<u>(214,937)</u>	<u>(113,271)</u>	<u>101,666</u>
Nonoperating Income (Expense)				
Interest income	14,000	14,000	28,531	14,531
Total Nonoperating Income (Expense)	<u>14,000</u>	<u>14,000</u>	<u>28,531</u>	<u>14,531</u>
Income (loss) before capital contributions	<u>(239,837)</u>	<u>(200,937)</u>	<u>(84,740)</u>	<u>116,197</u>
Capital Contributions:				
Developer contributions	-	-	979,483	979,483
Transfers in	<u>260,000</u>	<u>260,000</u>	<u>230,000</u>	<u>(30,000)</u>
Change in Net Position	<u>\$ 20,163</u>	<u>\$ 59,063</u>	<u>1,124,743</u>	<u>\$ 1,065,680</u>
Net Position, Beginning			<u>14,190,125</u>	
Net Position, Ending			<u>\$ 15,314,868</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – GARBAGE FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,339,064	\$ 1,397,584	\$ 1,408,072	\$ 10,488
Miscellaneous	30,000	30,000	35,226	5,226
Total Operating Revenues	<u>1,369,064</u>	<u>1,427,584</u>	<u>1,443,298</u>	<u>15,714</u>
Operating Expenses				
Salaries, wages, and benefits	14,285	14,285	13,262	1,023
Operations and maintenance	95,661	95,661	83,236	12,425
Professional services	1,223,102	1,281,000	1,280,697	303
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>1,333,548</u>	<u>1,391,446</u>	<u>1,377,195</u>	<u>14,251</u>
Operating Income (Loss)	<u>35,516</u>	<u>36,138</u>	<u>66,103</u>	<u>29,965</u>
Nonoperating Income (Expense)				
Interest income	3,500	3,500	9,160	5,660
Total Nonoperating Income (Expense)	<u>3,500</u>	<u>3,500</u>	<u>9,160</u>	<u>5,660</u>
Change in Net Position	<u>\$ 39,016</u>	<u>\$ 39,638</u>	<u>75,263</u>	<u>\$ 35,625</u>
Net Position, Beginning			<u>528,320</u>	
Net Position, Ending			<u>\$ 603,583</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SECONDARY WATER FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,581,900	\$ 1,581,900	\$ 1,586,456	\$ 4,556
Intergovernmental revenue	500,000	273,000	320,612	47,612
Connection and servicing fees	90,000	90,000	108,400	18,400
Miscellaneous	5,000	5,000	2,404	(2,596)
Total Operating Revenues	<u>2,176,900</u>	<u>1,949,900</u>	<u>2,017,872</u>	<u>67,972</u>
Operating Expenses				
Salaries, wages, and benefits	269,078	269,078	261,069	8,009
Operations and maintenance	500,625	517,625	489,474	28,151
Professional services	360,000	370,000	366,557	3,443
Depreciation	465,000	465,000	442,991	22,009
Capital outlay	-	482,500	-	482,500
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>1,595,203</u>	<u>2,104,703</u>	<u>1,560,091</u>	<u>544,612</u>
Operating Income (Loss)	<u>581,697</u>	<u>(154,803)</u>	<u>457,781</u>	<u>612,584</u>
Nonoperating Income (Expense)				
Interest income	13,000	13,000	38,133	25,133
Total Nonoperating Income (Expense)	<u>13,000</u>	<u>13,000</u>	<u>38,133</u>	<u>25,133</u>
Income (loss) before capital contributions	<u>594,697</u>	<u>(141,803)</u>	<u>495,914</u>	<u>637,717</u>
Capital Contributions:				
Impact fees	340,800	340,800	592,915	252,115
Developer contributions	-	-	2,216,455	2,216,455
Change in Net Position	<u>\$ 935,497</u>	<u>\$ 198,997</u>	<u>3,305,284</u>	<u>\$ 3,106,287</u>
Net Position, Beginning			<u>26,406,777</u>	
Net Position, Ending			<u>\$ 29,712,061</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – STORM WATER FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 443,350	\$ 555,350	\$ 557,812	\$ 2,462
Intergovernmental	-	-	-	
Miscellaneous	2,300	2,300	2,670	370
Total Operating Revenues	<u>445,650</u>	<u>557,650</u>	<u>560,482</u>	<u>2,832</u>
Operating Expenses				
Salaries, wages, and benefits	154,366	154,366	135,578	18,788
Operations and maintenance	274,507	282,507	223,373	59,134
Depreciation	258,000	269,000	266,838	2,162
Capital outlay	-	300,000	-	300,000
Miscellaneous	700	700	69	631
Total Operating Expenses	<u>687,573</u>	<u>1,006,573</u>	<u>625,858</u>	<u>380,715</u>
Operating Income (Loss)	<u>(241,923)</u>	<u>(448,923)</u>	<u>(65,376)</u>	<u>383,547</u>
Nonoperating Income (Expense)				
Interest income	9,000	9,000	31,305	22,305
Total Nonoperating Income (Expense)	<u>9,000</u>	<u>9,000</u>	<u>31,305</u>	<u>22,305</u>
Income (loss) before capital contributions	<u>(232,923)</u>	<u>(439,923)</u>	<u>(34,071)</u>	<u>405,852</u>
Capital Contributions:				
Impact fees	348,300	348,300	509,365	161,065
Developer contributions	-	-	803,289	803,289
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Change in Net Position	<u>\$ 315,377</u>	<u>\$ 108,377</u>	<u>1,478,583</u>	<u>\$ 1,370,206</u>
Net Position, Beginning			<u>8,792,808</u>	
Net Position, Ending			<u>\$ 10,271,391</u>	

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – INFORMATION TECHNOLOGY FUND
For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 311,500	\$ 311,500	\$ 311,500	\$ -
Total Operating Revenues	<u>311,500</u>	<u>311,500</u>	<u>311,500</u>	<u>-</u>
Operating Expenses				
Salaries, wages, and benefits	170,473	170,473	167,468	3,005
Operations and maintenance	210,079	232,279	227,872	4,407
Total Operating Expenses	<u>380,552</u>	<u>402,752</u>	<u>395,340</u>	<u>7,412</u>
Operating Income (Loss)	<u>(69,052)</u>	<u>(91,252)</u>	<u>(83,840)</u>	<u>7,412</u>
Nonoperating Income (Expense)				
Interest income	150	150	1,461	1,311
Total Nonoperating Income (Expense)	<u>150</u>	<u>150</u>	<u>1,461</u>	<u>1,311</u>
Change in Net Position	<u>\$ (68,902)</u>	<u>\$ (91,102)</u>	<u>(82,379)</u>	<u>\$ 8,723</u>
Net Position, Beginning			<u>99,562</u>	
Net Position, Ending			<u>\$ 17,183</u>	

STATISTICAL SECTION

This page intentionally left blank

STATISCIAL SECTION INTRODUCTION

(Unaudited)

This part of Syracuse City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
FINANCIAL TRENDS	78
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	89
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.</i>	
DEBT CAPACITY	95
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
DEMOGRAPHICS AND ECONOMIC INFORMATION	98
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
OPERATING INFORMATION	100
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**SYRACUSE CITY
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years**

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2017-18	\$ 12,168,803	\$ 1,175,309	\$13,540,129	\$ 8,527,719	\$ 317,255	\$ 287,044	\$ 36,016,259
2016-17	10,748,269	474,473	10,460,062	7,974,627	176,546	262,907	\$ 30,096,884
2015-16	10,108,043	219,497	7,893,995	7,391,338	97,034	291,919	26,001,826
2014-15	8,998,907	134,091	6,386,115	6,907,841	73,044	209,194	22,709,192
2013-14	8,665,729	159,315	3,277,186	6,702,622	62,450	307,307	19,174,609
2012-13	10,176,102	1,005,661	1,262,145	6,528,978	72,820	112,014	19,157,720
2011-12	8,782,781	890,117	732,621	6,349,093	68,227	238,929	17,061,768
2010-11	8,410,723	-	5,493,654	5,959,508	32,237	600,118	20,496,240
2009-10	7,668,076	115,149	5,107,748	5,667,730	31,268	1,025,895	19,615,866
2008-09	7,485,359	255,432	-	5,597,745	198,054	707,227	14,243,817

SYRACUSE CITY
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Public Improvements ¹	Parks and Recreation	Interest on Long-Term Debt	Culinary Water Utility ²	Sewer Utility	Garbage Utility	Secondary Water Utility	Storm Water Utility ¹	Total
2017-18	\$ 3,180,181	\$ 4,287,420	\$ 3,924,080	\$ 1,744,884	\$ 221,434	\$ 2,000,900	\$ 3,070,173	\$ 1,382,383	\$ 1,561,052	\$ 633,543	\$ 22,006,050
2016-17	2,816,906	4,640,066	3,313,400	1,711,853	240,796	1,957,655	2,630,274	1,266,547	1,472,424	552,972	20,602,893
2015-16	2,631,121	4,399,653	2,757,888	1,303,964	335,309	1,963,462	2,173,179	1,277,589	1,458,713	541,094	18,841,972
2014-15	2,240,878	3,543,704	3,392,400	905,768	399,150	1,854,520	1,837,672	1,226,319	1,336,431	569,462	17,306,304
2013-14	2,400,600	4,334,274	1,913,320	1,302,089	523,181	1,739,124	1,554,024	1,204,410	1,405,628	557,996	16,934,646
2012-13	2,743,962	4,349,143	1,982,422	1,109,490	559,958	1,694,016	1,165,527	1,191,793	1,383,551	449,994	16,629,856
2011-12	2,378,027	3,923,458	1,907,183	1,241,485	687,182	1,656,304	1,018,178	1,140,839	1,297,447	424,943	15,675,046
2010-11	2,093,864	3,843,940	2,114,678	1,298,632	684,474	1,509,611	1,012,749	1,148,287	1,158,364	426,122	15,290,721
2009-10	1,663,029	3,723,979	2,121,006	1,083,622	696,289	1,296,665	992,129	1,072,037	1,084,825	536,507	14,270,088
2008-09	2,106,972	3,944,700	3,809,582	1,159,929	783,675	1,315,738	899,303	1,071,645	1,139,891	-	16,231,435

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Public Works.

SYRACUSE CITY
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

FISCAL YEAR	TAXES ⁴	LICENSES AND PERMITS	IMPACT FEES	INTERGOV- ERNMENTAL	MANAGEMENT AND ADMIN FEES ^{1, 2, 3}	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	TOTAL
2017-18	\$ 7,915,019	\$ 907,187	\$ 1,297,295	\$ 1,509,301	\$ 38,070	\$ 2,190,366	\$ 232,479	\$ 309,308	\$ 14,399,025
2016-17	7,462,485	780,813	993,505	1,412,688	37,017	2,016,114	213,007	249,213	13,164,842
2015-16	6,995,706	815,417	1,204,320	2,608,490	30,376	1,907,359	208,626	231,281	14,001,575
2014-15	5,232,588	566,892	687,651	1,943,565	25,427	1,633,275	220,508	99,130	10,409,036
2013-14	5,015,482	591,877	1,002,799	881,459	24,538	1,705,281	224,033	190,640	9,636,109
2012-13	4,849,920	533,524	745,473	1,005,661	659,134	1,356,488	281,811	138,302	9,570,313
2011-12	4,636,245	350,229	337,850	1,009,609	613,025	1,082,134	342,441	97,415	8,468,948
2010-11	4,333,403	245,223	226,713	845,653	642,000	996,036	331,246	92,583	7,712,857
2009-10	4,199,180	321,654	482,160	821,797	-	907,170	295,248	67,410	7,094,619
2008-09	4,253,282	357,501	388,245	888,120	-	675,457	261,720	138,000	6,962,325

Note:

General government is limited to the City's general fund.

¹ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

² Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. This is included in management and admin fees above.

⁴ Beginning in FY 2016, franchise tax was recorded in the general fund instead of the capital projects fund.

SYRACUSE CITY
GENERAL GOVERNEMENT EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government ^{3,4}	Public Safety	Highways and Public Improvements	Parks and Recreation	Capital Outlay ²	Debt Service	Other Financing Uses ¹	Total
2017-18	\$ 2,217,489	\$ 4,656,661	\$ 1,206,550	\$ 1,464,258	\$ 1,171,247	\$ 1,089,112	\$ 1,316,000	\$ 13,121,317
2016-17	1,991,811	4,191,455	1,488,659	1,335,993	887,960	946,554	1,723,705	12,566,137
2015-16	1,882,524	3,994,200	3,533,813	1,442,742	-	1,185,573	1,433,286	13,472,138
2014-15	1,793,488	3,729,667	3,431,863	1,136,332	-	1,109,642	78,932	11,279,924
2013-14	1,690,942	3,786,705	2,381,973	1,044,047	-	271,256	41,553	9,216,476
2012-13	2,112,668	3,817,012	2,170,559	1,050,209	-	260,128	-	9,410,576
2011-12	2,012,733	3,462,242	1,121,517	956,884	-	192,781	200,000	7,946,157
2010-11	1,689,503	3,369,555	1,282,843	1,025,804	-	192,669	14,567	7,574,941
2009-10	1,174,765	3,221,583	1,136,292	955,982	-	192,980	124,000	6,805,602
2008-09	1,576,733	3,303,895	1,311,144	923,204	1,088,081	396,163	114,500	8,713,720

Notes:

General government is limited to the City's general fund.

¹ Other financing uses includes transfers to other funds.

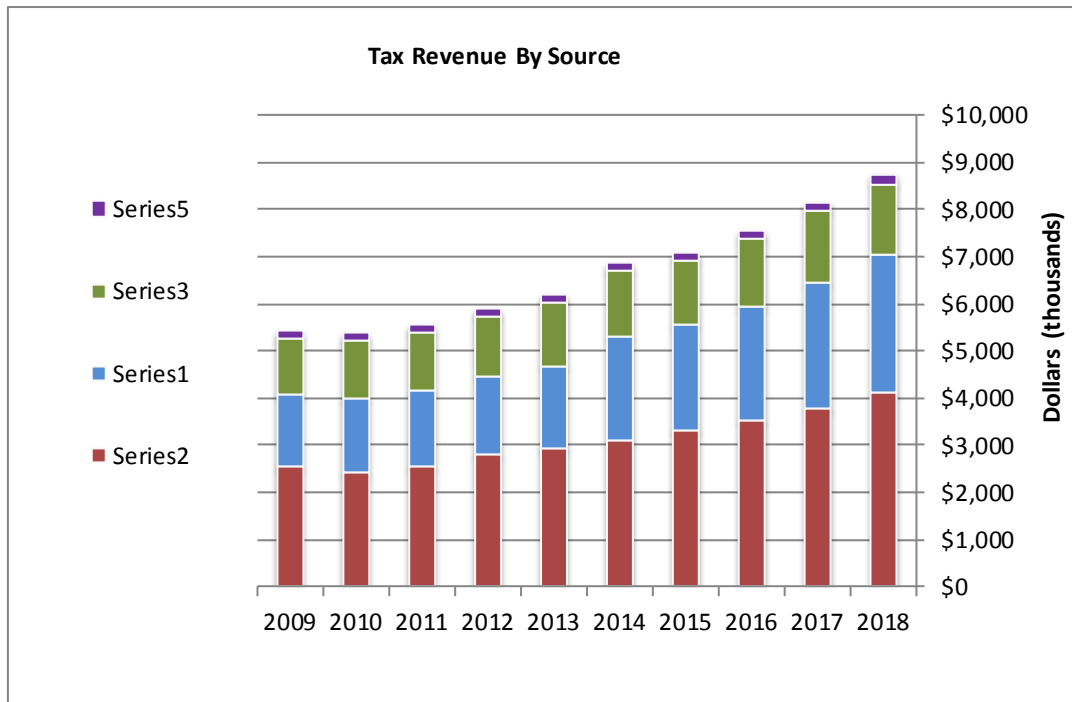
² In FY 2010, capital outlay expenditures were included under the function for which they were acquired. In FY2017, they were recorded separately.

³ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

⁴ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

SYRACUSE CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Motor Vehicle Fees	Total
2018	\$ 4,129	\$ 2,916	\$ 1,483	\$ 191	\$ 8,719
2017	3,769	2,661	1,545	180	8,155
2016	3,520	2,423	1,449	173	7,565
2015	3,309	2,230	1,368	169	7,076
2014	3,096	2,210	1,396	158	6,860
2013	2,953	1,728	1,338	169	6,188
2012	2,820	1,650	1,267	166	5,903
2011	2,551	1,606	1,229	177	5,563
2010	2,429	1,569	1,209	202	5,409
2009	2,543	1,535	1,165	175	5,418



SYRACUSE CITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 55,009	\$ 49,719	\$ 45,648	\$ 43,068	\$ 40,092	\$ 40,992	\$ 40,565	\$ 41,578	\$ 39,654	\$ 42,374
Restricted	4,537	4,388	4,145	3,107	3,792	2,298	1,771	811	727	867
Unrestricted	3,451	3,434	1,939	1,682	2,626	1,618	1,812	811	314	726
Total governmental activities net position	<u>\$ 62,997</u>	<u>\$ 57,541</u>	<u>\$ 51,732</u>	<u>\$ 47,857</u>	<u>\$ 46,510</u>	<u>\$ 44,908</u>	<u>\$ 44,148</u>	<u>\$ 43,200</u>	<u>\$ 40,695</u>	<u>\$ 43,967</u>
Business-type activities										
Net investment in capital assets	\$ 68,168	\$ 59,798	\$ 58,239	\$ 55,619	\$ 52,792	\$ 45,048	\$ 43,411	\$ 43,820	\$ 41,712	\$ 35,180
Restricted	3,322	2,358	1,571	1,833	1,530	801	1,042	970	714	136
Unrestricted	4,948	5,727	4,388	3,461	4,156	4,867	5,005	4,229	3,892	2,385
Total business-type activities net position	<u>\$ 76,438</u>	<u>\$ 67,883</u>	<u>\$ 64,198</u>	<u>\$ 60,913</u>	<u>\$ 58,478</u>	<u>\$ 50,716</u>	<u>\$ 49,458</u>	<u>\$ 49,019</u>	<u>\$ 46,318</u>	<u>\$ 37,701</u>
Primary government										
Net investment in capital assets	\$ 123,177	\$ 109,517	\$ 103,887	\$ 98,687	\$ 92,884	\$ 86,040	\$ 83,976	\$ 85,398	\$ 81,366	\$ 77,554
Restricted	7,859	6,746	5,716	4,940	5,322	3,099	2,813	1,781	1,441	1,003
Unrestricted	8,399	9,161	6,327	5,143	6,782	6,485	6,817	5,040	4,206	3,111
Total primary government net position	<u>\$ 139,435</u>	<u>\$ 125,424</u>	<u>\$ 115,930</u>	<u>\$ 108,770</u>	<u>\$ 104,988</u>	<u>\$ 95,624</u>	<u>\$ 93,606</u>	<u>\$ 92,219</u>	<u>\$ 87,013</u>	<u>\$ 81,668</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	\$ 3,180	\$ 2,817	\$ 2,631	\$ 2,241	\$ 2,401	\$ 2,744	\$ 2,378	\$ 2,094	\$ 1,663	\$ 2,107
Public safety	4,288	4,640	4,400	3,544	4,334	4,349	3,924	3,844	3,724	3,945
Highways and public improvements ¹	3,924	3,313	2,758	3,392	1,913	1,983	1,907	2,115	2,121	3,809
Parks, recreation, and public property	1,745	1,712	1,304	906	1,302	1,109	1,241	1,299	1,084	1,160
Interest on long-term debt	221	241	335	399	523	560	687	684	696	784
Total governmental activities expenses	<u>13,358</u>	<u>12,723</u>	<u>11,428</u>	<u>10,482</u>	<u>10,473</u>	<u>10,745</u>	<u>10,137</u>	<u>10,036</u>	<u>9,288</u>	<u>11,805</u>
Business-type activities:										
Culinary water utility	\$ 2,001	\$ 1,958	\$ 1,963	\$ 1,855	\$ 1,739	\$ 1,694	\$ 1,656	\$ 1,510	\$ 1,297	\$ 1,316
Sewer utility	3,070	2,630	2,173	1,838	1,554	1,165	1,018	1,013	992	899
Garbage utility	1,382	1,267	1,278	1,226	1,204	1,192	1,141	1,148	1,072	1,071
Secondary water utility	1,561	1,472	1,459	1,336	1,406	1,384	1,298	1,158	1,085	1,140
Storm water utility	634	553	541	569	558	450	425	426	536	-
Total business-type activities expenses	<u>8,648</u>	<u>7,880</u>	<u>7,414</u>	<u>6,824</u>	<u>6,461</u>	<u>5,885</u>	<u>5,538</u>	<u>5,255</u>	<u>4,982</u>	<u>4,426</u>
Total primary government expenses	<u>\$ 22,006</u>	<u>\$ 20,603</u>	<u>\$ 18,842</u>	<u>\$ 17,306</u>	<u>\$ 16,934</u>	<u>\$ 16,630</u>	<u>\$ 15,675</u>	<u>\$ 15,291</u>	<u>\$ 14,270</u>	<u>\$ 16,231</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,825	\$ 1,687	\$ 1,671	\$ 1,279	\$ 1,337	\$ 1,782	\$ 1,540	\$ 1,397	\$ 809	\$ 808
Public safety	546	502	494	467	506	549	476	433	205	296
Highways and public improvements	364	240	237	172	149	389	245	804	924	1,500
Parks and recreation	633	618	560	551	571	946	645	476	436	288
Operating grants and contributions	495	425	220	134	159	1,006	890	-	115	91
Capital grants and contributions	6,807	6,807	4,491	3,420	1,826	489	499	2,946	2,771	-
Total governmental activities program revenues	<u>10,670</u>	<u>10,279</u>	<u>7,673</u>	<u>6,023</u>	<u>4,548</u>	<u>5,161</u>	<u>4,295</u>	<u>6,056</u>	<u>5,260</u>	<u>2,983</u>
Business-type activities:										
Charges for services:										
Culinary water utility	\$ 2,205	\$ 1,984	\$ 1,897	\$ 1,806	\$ 1,756	\$ 1,896	\$ 1,717	\$ 1,528	\$ 1,549	\$ 1,343
Sewer utility	2,935	2,352	1,991	1,593	1,303	1,136	1,011	986	989	845
Garbage utility	1,408	1,316	1,263	1,222	1,229	1,256	1,225	1,170	1,137	1,113
Secondary water utility	1,695	1,619	1,580	1,505	1,464	1,646	1,490	1,331	1,335	1,292
Storm water utility ¹	557	430	415	404	351	576	434	286	284	-
Grants and contributions	7,414	3,703	3,403	2,966	1,451	773	233	2,547	2,337	165
Total business-type activities program revenues	<u>16,214</u>	<u>11,404</u>	<u>10,549</u>	<u>9,496</u>	<u>7,554</u>	<u>7,283</u>	<u>6,110</u>	<u>7,848</u>	<u>7,631</u>	<u>4,758</u>
Total primary government program revenues	<u>\$ 26,884</u>	<u>\$ 21,683</u>	<u>\$ 18,222</u>	<u>\$ 15,519</u>	<u>\$ 12,102</u>	<u>\$ 12,444</u>	<u>\$ 10,405</u>	<u>\$ 13,904</u>	<u>\$ 12,891</u>	<u>\$ 7,741</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net (expense)/revenue:										
Governmental activities	\$ (2,688)	\$ (2,444)	\$ (3,755)	\$ (4,459)	\$ (5,925)	\$ (5,584)	\$ (5,842)	\$ (3,980)	\$ (4,028)	\$ (8,822)
Business-type activities	7,566	3,524	3,135	2,672	1,093	1,398	572	2,593	2,649	332
Total primary government net expense	<u>\$ 4,878</u>	<u>\$ 1,080</u>	<u>\$ (620)</u>	<u>\$ (1,787)</u>	<u>\$ (4,832)</u>	<u>\$ (4,186)</u>	<u>\$ (5,270)</u>	<u>\$ (1,387)</u>	<u>\$ (1,379)</u>	<u>\$ (8,490)</u>
General Revenues and Other Changes in										
Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,916	\$ 2,661	\$ 2,423	\$ 2,230	\$ 2,210	\$ 2,238	\$ 2,262	\$ 2,180	\$ 2,030	\$ 1,890
Sales taxes	4,129	3,769	3,520	3,309	3,096	2,953	2,820	2,551	2,429	2,543
Franchise taxes	1,483	1,545	1,449	1,368	1,396	1,338	1,267	1,229	1,209	1,165
Impact fees ³	-	-	-	-	-	-	-	227	482	232
Unrestricted investment earnings	174	101	58	46	39	36	33	11	10	143
Other revenues (uses) not restricted to specific progr:	192	178	181	184	235	102	220	100	42	147
Transfers	(750)	-	-	96	187	187	187	186	190	336
Total governmental activities	<u>8,144</u>	<u>8,254</u>	<u>7,631</u>	<u>7,233</u>	<u>7,163</u>	<u>6,854</u>	<u>6,789</u>	<u>6,484</u>	<u>6,392</u>	<u>6,456</u>
Business-type activities:										
Impact fees ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 502	\$ 328
Unrestricted investment earnings	143	75	39	27	24	37	35	21	21	55
Other revenues (uses) not restricted to specific progr:	95	85	110	26	72	10	19	21	-	-
Transfers	750	-	-	(96)	(187)	(187)	(187)	(186)	(190)	(336)
Total business-type activities	<u>988</u>	<u>160</u>	<u>149</u>	<u>(43)</u>	<u>(91)</u>	<u>(140)</u>	<u>(133)</u>	<u>109</u>	<u>333</u>	<u>47</u>
Total primary government	<u>\$ 9,132</u>	<u>\$ 8,414</u>	<u>\$ 7,780</u>	<u>\$ 7,190</u>	<u>\$ 7,072</u>	<u>\$ 6,714</u>	<u>\$ 6,656</u>	<u>\$ 6,593</u>	<u>\$ 6,725</u>	<u>\$ 6,503</u>
Change in Net Position										
Governmental activities	\$ 5,455	\$ 5,809	\$ 3,875	\$ 2,774	\$ 1,238	\$ 1,270	\$ 948	\$ 2,504	\$ 2,364	\$ (2,366)
Business-type activities	8,555	3,685	3,285	2,629	1,002	1,258	439	2,702	2,982	379
Total primary government	<u>\$ 14,010</u>	<u>\$ 9,494</u>	<u>\$ 7,160</u>	<u>\$ 5,403</u>	<u>\$ 2,240</u>	<u>\$ 2,528</u>	<u>\$ 1,387</u>	<u>\$ 5,206</u>	<u>\$ 5,346</u>	<u>\$ (1,987)</u>

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Government Activities - Highways and public improvements.

² Beginning in FY2012, impact fee revenues were included in the program revenues above by department where charged.

SYRACUSE CITY
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$ 8,528	\$ 7,975	\$ 7,391	\$ 6,908	\$ 6,703	\$ 6,529	\$ 6,349	\$ 5,983	\$ 5,693	\$ 5,622
Licenses and permits	907	781	816	567	592	534	350	245	322	358
Impact fees	1,297	993	1,204	688	1,003	745	338	227	482	620
Intergovernmental	1,514	1,421	2,649	2,145	881	1,081	1,087	846	937	979
Administrative Fees ^{1,2}	-	-	-	-	-	600	506	579	-	-
Charges for services	2,190	2,016	1,907	1,633	1,705	1,356	1,082	996	907	954
Fines and forfeitures	232	213	209	221	224	282	343	331	295	262
Investment earnings	173	100	58	45	39	36	33	12	8	143
Lease Revenue	994	855	1,097	1,097	1,157	-	-	-	-	-
Management Fee ³	38	37	30	25	25	59	107	63	-	-
Miscellaneous	183	174	182	210	247	213	136	162	227	192
Total revenues	16,056	14,565	15,543	13,539	12,576	11,435	10,331	9,444	8,871	9,130
Expenditures										
General government ^{1,2}	2,217	1,992	1,882	1,793	1,691	2,458	2,199	1,836	1,183	1,582
Public safety	4,657	4,191	3,994	3,730	3,787	3,817	3,449	3,370	3,222	3,304
Highways and public improvemer	1,207	1,489	3,534	3,432	2,382	2,171	533	1,283	1,253	1,615
Parks and recreation	1,465	1,340	1,443	1,136	1,044	1,050	932	1,026	956	924
Lease Payment	994	855	1,097	1,097	1,157	-	-	-	-	-
Capital outlay	2,591	1,090	497	1,148	100	236	1,352	124	405	6,521
Redevelopment / Other	580	492	498	270	395	-	-	-	-	-
Debt service:										
Principal retirement	1,045	1,029	12,141	1,915	1,021	1,010	813	681	778	700
Interest and fiscal charges	210	228	356	434	541	578	660	684	706	777
Total expenditures	\$14,966	\$12,706	\$25,442	\$14,955	\$12,118	\$11,320	\$ 9,938	\$ 9,004	\$ 8,503	\$ 15,423

SYRACUSE CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Excess of revenues over (under) expenditures	\$ 1,090	\$ 1,859	\$ (9,899)	\$ (1,416)	\$ 458	\$ 115	\$ 393	\$ 440	\$ 368	\$ (6,293)
Other financing sources (uses)										
Issuance of Debt	-	-	11,246	6,882		-	6,770	-	-	-
Payment to ref. bonds escrow agt	-	-	-	(6,419)		-	(5,572)	-	-	-
Capital contributions	-	-	-	228	3					
Sale of capital assets	18	57	-	-	1,961	14	156	-	-	-
Transfers in	1,316	1,724	1,433	1,100	228	187	187	201	414	1,258
Transfers out	(2,066)	(1,724)	(1,433)	(1,005)	(42)	-	-	(322)	(340)	(1,062)
Total other financing sources (uses)	(732)	57	11,246	786	2,150	201	1,541	(121)	74	196
Net change in fund balances	\$ 358	\$ 1,916	\$ 1,347	\$ (630)	\$ 2,608	\$ 316	\$ 1,934	\$ 319	\$ 442	\$ (6,097)
Debt service as a percentage of noncapital expenditures	10.1%	10.8%	50.1%	17.0%	13.0%	14.3%	17.2%	15.4%	18.3%	16.6%

Note:

¹ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenses in the general fund.

² Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. The expenditure is included in general government.

SYRACUSE CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Nonspendable	\$ 409	\$ 64	\$ 128	\$ 65	\$ 119	\$ 112	\$ 644	\$ 17	\$ -	\$ -
Restricted	4,537	3,415	3,279	2,316	3,066	1,608	1,080	383	-	-
Committed	-	-	-	-	-	66	93	71	-	-
Assigned	625	705	548	682	738	-	-	-	-	-
Unassigned	2,342	2,450	2,024	2,386	2,146	1,716	1,324	1,000	-	-
Total general fund	<u>\$ 7,913</u>	<u>\$ 6,634</u>	<u>\$ 5,979</u>	<u>\$ 5,449</u>	<u>\$ 6,069</u>	<u>\$ 3,502</u>	<u>\$ 3,141</u>	<u>\$ 1,471</u>	<u>\$ -</u>	<u>\$ -</u>

All other governmental funds:

Restricted	\$ -	\$ 973	\$ 866	\$ 791	\$ 725	\$ 690	\$ 691	\$ 428	\$ -	\$ -
Committed	-	-	-	-	-	8	8	10	-	-
Assigned	2,034	1,981	828	86	162	149	193	190	-	-
Total all other governmental funds	<u>\$ 2,034</u>	<u>\$ 2,954</u>	<u>\$ 1,694</u>	<u>\$ 877</u>	<u>\$ 887</u>	<u>\$ 847</u>	<u>\$ 892</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ -</u>

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474	\$ 259
Designated, unreserved	-	-	-	-	-	-	-	-	48	24
Unreserved	-	-	-	-	-	-	-	-	625	285
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147</u>	<u>\$ 568</u>

All other governmental funds:

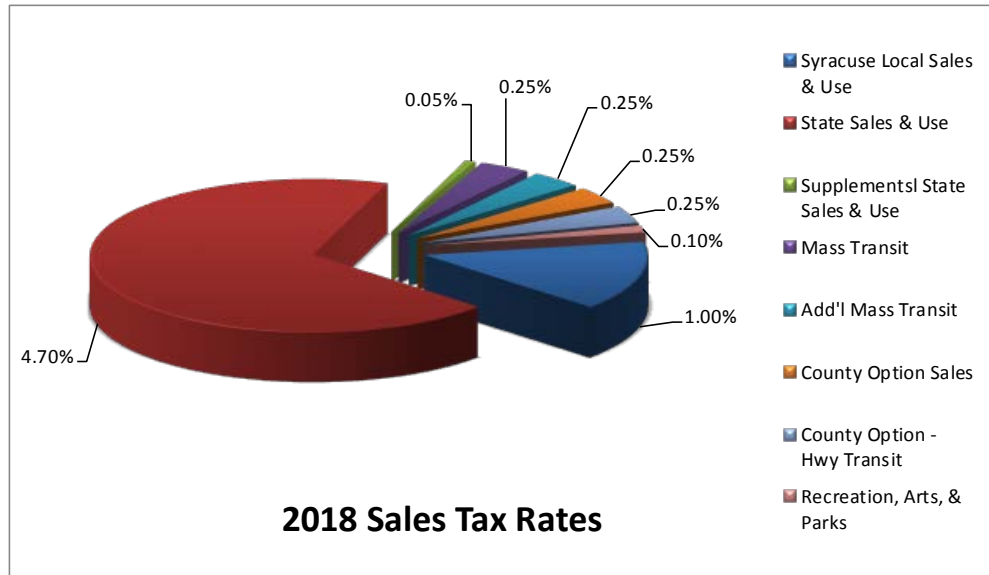
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254	\$ 608
Designated, unreserved reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	(15)	206
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	394	494
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 1,308</u>

Note:

Beginning in FY 2011, the fund balance categories were reclassified as a result of implementing GASB Statement 54. Fund balance has not been restated for prior years.

**SYRACUSE CITY
SALES TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

Fiscal Year	Syracuse City Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	County Option Hwy / Transit	Recreation, Arts, & Parks	Total for Syracuse Residents
2018	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	0.10%	6.85%
2017	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	-	6.75%
2016	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	-	6.75%
2015	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2014	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2013	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2012	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2011	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2010	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%
2009	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	-	6.50%



Note:

Rates are given as of the second quarter of each year.

Source:

Utah State Tax Commission - Sales Tax Division

SYRACUSE CITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Building	Mobile Homes	Other					
2018	\$ 495,224	\$ 905,214	\$ -	\$ 26,297	\$ 21,815	\$ 1,448,550	1.573	\$ 2,584,680	56.04%
2017	377,142	849,949	-	32,676	19,861	1,279,628	1.573	2,277,605	56.18%
2016	361,325	755,680	-	25,071	18,417	1,160,493	1.639	2,089,899	55.53%
2015	347,890	697,034	-	20,364	16,510	1,081,798	1.659	1,971,626	54.87%
2014	316,519	650,579	-	21,928	16,576	1,005,602	1.787	1,749,861	57.47%
2013	320,108	612,472	-	23,388	15,136	971,104	1.832	1,653,539	58.73%
2012	317,384	608,728	-	24,689	14,840	965,641	1.821	1,809,649	53.36%
2011	336,032	681,079	-	19,412	15,426	1,051,949	1.631	1,771,644	59.38%
2010	339,540	637,430	-	21,423	20,827	1,019,220	1.613	1,719,161	59.29%
2009	425,187	597,489	18	21,169	19,464	1,063,327	1.500	n/a	n/a

Notes:

Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Estimated actual market value is not available for the 2008 year.

Total property value is excluding fee-in-lieu.

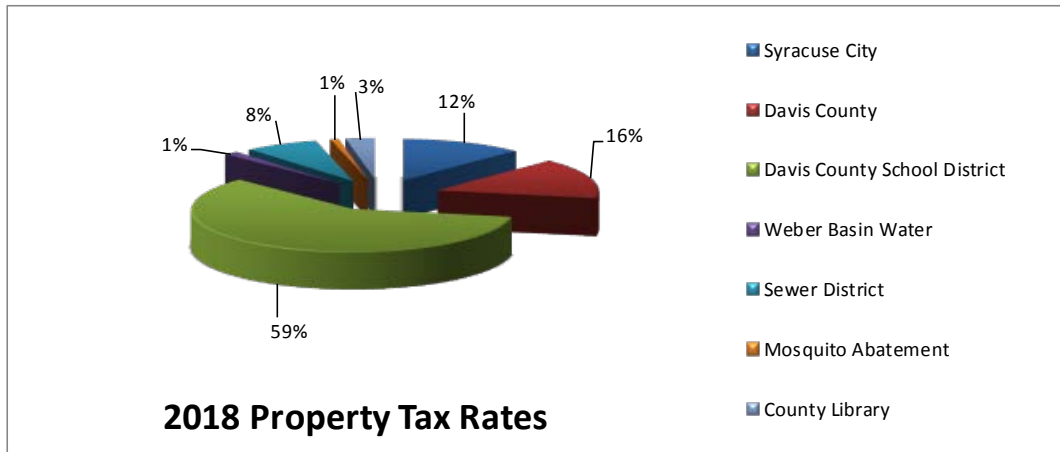
Sources:

Utah State Tax Commission - Property Tax Division website

Davis County

SYRACUSE CITY
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

Fiscal Year	Syracuse City ¹	Davis County	Davis County School District	Weber Basin Water Conservancy District	North Davis County Sewer District	Davis County Mosquito Abatement District	County Library	Total Levy for Syracuse Residents
2018	1.573	1.993	7.575	0.174	0.949	0.107	0.376	12.747
2017	1.573	1.779	8.125	0.187	1.025	0.116	0.342	13.147
2016	1.639	1.905	8.555	0.196	1.025	0.122	0.361	13.803
2015	1.659	2.161	8.259	0.199	1.025	0.124	0.361	13.788
2014	1.787	2.331	8.710	0.210	1.025	0.103	0.389	14.555
2013	1.832	2.391	8.941	0.215	0.993	0.105	0.396	14.873
2012	1.821	2.383	8.861	0.217	0.928	0.104	0.392	14.706
2011	1.631	2.213	7.860	0.207	0.864	0.097	0.363	13.235
2010	1.613	2.108	7.118	0.188	0.763	0.093	0.348	12.231
2009	1.500	1.997	6.764	0.181	0.763	0.088	0.332	11.625



Notes:

¹ The direct Syracuse City property tax rate is used solely for general operations of the city government.

Overlapping rates are those of local and county governments that apply to property owners within Syracuse City. Not all overlapping rates apply to all Syracuse City property owners (e.g., the rates for special districts apply only to the property owners whose property is located within the geographic boundaries of the special district).

Source:

Utah State Tax Commission - Property Tax Division web site

SYRACUSE CITY
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(Amounts Expressed in Thousands)

Taxpayer	Type of Business	2018		2009	
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Rank
United States Cold Storage, Inc	Manufacturing	\$ 21,901	1	1.51%	n/a
Wal-Mart	Retail	14,614	2	1.01%	1
Pacificorp	Utility	11,591	3	0.80%	2
Syracuse School Develop. III	Educational	9,112	4	0.63%	n/a
Syracuse Family Fun Center	Retail	7,859	5	0.54%	n/a
Antelope LC	Medical	7,556	6	0.52%	3
Boyer Syracuse Associates	Retail properties	6,442	7	0.44%	4
Pacific Hide & Fur Depot	Retail	6,185	8	0.43%	n/a
Questar Gas	Utility	6,107	9	0.42%	8
Shadowpoint LLC	Retail properties	5,296	10	0.37%	6
Total taxable value of 10 largest taxpayers		96,663		6.67%	50,656
Total taxable value of other taxpayers		1,351,887		93.33%	1,012,671
Total taxable value of all taxpayers		\$ 1,448,550		100.00%	\$ 1,063,327

Note:

Information from ten years ago was unavailable, so the 2009 tax year was used.

Source:

Davis County Clerk/Auditor's office

SYRACUSE CITY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years

Tax Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collection of Previous years Taxes	Total Tax Collections	Percent of Total Tax Collected to Total Levy
2018	\$ 2,278,569	\$ 2,094,314	91.91%	\$ 17,271	\$ 2,111,585	92.67%
2017	2,012,855	1,947,547	96.76%	21,747	\$ 1,969,294	97.84%
2016	1,902,048	1,830,402	96.23%	23,319	1,853,721	97.46%
2015	1,794,703	1,741,894	97.06%	12,723	1,754,617	97.77%
2014	1,797,011	1,741,771	96.93%	19,159	1,760,930	97.99%
2013	1,779,063	1,667,892	93.75%	59,897	1,727,789	97.12%
2012	1,758,432	1,607,933	91.44%	42,352	1,650,285	93.85%
2011	1,715,729	1,577,797	91.96%	27,934	1,605,731	93.59%
2010	1,644,002	1,515,516	92.18%	53,035	1,568,551	95.41%
2009	1,594,991	1,501,503	94.14%	33,483	1,534,986	96.24%

Source:

Davis County Treasurer's office

SYRACUSE CITY
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

Year	Real Property Taxable Value ¹				Residential Construction ²		Commercial Construction ²		Other Construction ²	
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value
2018	\$ 143,566	\$ 1,200,713	\$ 55,687	\$ 1,399,966	270	\$ 65,022	7	\$ 33,946	490	\$ 8,280
2017	132,290	1,057,229	37,573	1,227,092	324	73,726	8	8,568	538	9,672
2016	113,247	964,365	39,394	1,117,006	248	57,334	7	385	348	5,672
2015	96,199	914,973	33,752	1,044,924	174	39,153	9	3,105	205	1,690
2014	100,740	833,866	32,492	967,098	212	49,330	8	517	216	1,802
2013	107,187	787,373	38,019	932,579	162	37,652	5	192	186	2,152
2012	102,217	781,365	42,529	926,112	83	18,195	9	313	207	1,509
2011	115,544	851,112	50,455	1,017,111	69	15,260	12	958	240	1,882
2010	93,539	828,723	54,708	976,970	96	20,963	33	4,171	283	2,394
2009	78,859	863,778	80,039	1,022,676	69	16,864	26	62,129	285	2,479

Note:

Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:

¹ Utah State Tax Commission - Property Tax Division

² Syracuse City Community & Economic Development department

SYRACUSE CITY
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Lease	MBA Revenue Bonds	Sales Tax Revenue Bonds	Special Assessment Bonds	Excise Tax Road Bonds	Capital Improvement Loan	Capital Lease	Water Revenue Notes			
2018	\$ 297,961	\$ 9,540,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,837,961	1.24%	333.41
2017	\$ 485,823	\$ 10,397,000	-	-	-	-	-	-	10,882,823	1.43%	383.10
2016	665,926	11,246,000	-	-	-	-	-	-	11,911,926	1.63%	434.82
2015	875,246	11,930,000	-	-	-	-	-	-	12,805,246	1.88%	480.70
2014	655,953	12,249,000	985,000	-	-	-	-	-	13,889,953	2.16%	538.89
2013	853,726	12,932,000	1,125,000	-	-	-	-	-	14,910,726	2.43%	593.63
2012	1,058,686	13,602,000	1,260,000	-	-	-	-	113,000	16,033,686	2.75%	647.67
2011	-	13,901,000	1,390,000	-	-	-	-	226,000	15,517,000	2.87%	637.75
2010	-	14,457,000	1,515,000	-	-	-	-	339,000	16,311,000	5.90%	723.61
2009	-	14,999,000	1,640,000	111,000	-	-	-	452,000	17,202,000	6.14%	780.14

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

SYRACUSE CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2018

Governmental Unit	General Bonded Debt Outstanding	Est. Percentage Applicable to Syracuse City	Estimated Share of Overlapping Debt
North Davis County Sewer District ¹	\$ 20,465,000	13.02%	\$ 2,665,035
State of Utah ²	2,053,720,000	0.56%	11,499,376
Weber Basin Water Conservancy District ¹	12,725,000	2.59%	330,047
Davis County ²	13,297,606	6.39%	849,598
Davis County School District ²	504,580,000	6.39%	32,238,160
Overlapping debt			\$ 47,582,216
Syracuse City bonded debt		100.00%	9,540,000
Total direct and overlapping general bonded obligation debt			<u>\$ 57,122,216</u>

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Syracuse City's taxable property value and dividing by the governmental unit's taxable property value.

Sources:

¹ Individual governmental unit

² Davis County CAFR 2017

SYRACUSE CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$57,942	\$51,185	\$46,420	\$43,272	\$40,224	\$38,844	\$ 38,626	\$42,078	\$40,769	\$42,533
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$57,942</u>	<u>\$51,185</u>	<u>\$46,420</u>	<u>\$43,272</u>	<u>\$40,224</u>	<u>\$38,844</u>	<u>\$ 38,626</u>	<u>\$42,078</u>	<u>\$40,769</u>	<u>\$42,533</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total assessed value							<u>\$ 1,448,550</u>			
Debt limit (4% of total assessed value)							\$ 57,942			
Debt applicable to limit:										
Total bonded debt						\$ 9,838				
Less:										
Special assessment bonds						-				
Revenue bonds						(9,838)				
Amounts available for repayment of general obligation bonds						-				
Other deductions allowed by law						-				
Total net debt applicable to limit							<u>-</u>			
Legal debt margin							<u>\$ 57,942</u>			

**SYRACUSE CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	Unemployment Rate ²	Total Public School Enrollment ³
2017	29,507	\$ 792,764,569	26,867	2.9%	71,908
2016	28,407	758,552,121	26,703	3.1%	71,021
2015	27,395	731,090,365	26,687	3.4%	69,879
2014	26,639	682,624,375	25,625	3.4%	69,139
2013	25,775	641,823,275	24,901	3.5%	68,505
2012	25,118	614,737,932	24,474	4.3%	68,342
2011	24,756	583,449,408	23,568	5.6%	67,736
2010	24,331	539,960,800	22,192	6.2%	66,071
2009	22,541	276,303,598	12,258	5.9%	65,452
2008	22,050	279,942,855	12,696	3.3%	65,014

Notes:

Figures for 2010 are from the 2010 US Census.

Population figures, other than 2010, are estimates as of July 1 based on the US Census' population estimates

Personal income figures, other than 2010, are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Davis County. Information on a city level is not available.

Sources:

¹ U S Census Bureau

² State Department of Workforce Services website - <https://jobs.utah.gov>

³ State of Utah - State Office of Education web sites

**SYRACUSE CITY
PRINCIPAL EMPLOYERS
Prior Year and Eleven Years Ago**

		Fiscal Year			
		2017		2007	
Employer	Type of Business	Employees	Rank	Employees	Rank
Hill Air Force Base	US Air Force / Logistics	10,000 - 14,999	1	10,000 - 14,999	1
Davis County School District	Public Education	7,000 - 9,999	2	5,000 - 6,999	2
Kroger Group Cooperative	Retail	2,000 - 2,999	3	1,000 - 1,999	5
Lifetime Products	Manufacturing / Retail	1,000 - 1,999	4	1,000 - 1,999	4
Wal-Mart	Retail	1,000 - 1,999	5	1,000 - 1,999	6
Lagoon, Inc	Amusement Park	1,000 - 1,999	6	1,000 - 1,999	3
ATK Space Systems	Manufacturing	1,000 - 1,999	7	n/a	n/a
Your Employment Solutions	Help Services	1,000 - 1,999	8	n/a	n/a
Utility Trailer	Manufacturing	1,000 - 1,999	9	n/a	n/a
Davis County	County Government	500 - 999	10	500 - 999	9
Alliant	Manufacturing	500-999	11	n/a	n/a
Davis Hospital	Medical	500 - 999	12	500 - 999	10
Albertson's	Retail	n/a	n/a	500 - 999	7
Citicorp Credit Services	Retail	n/a	n/a	500 - 999	8

Notes:

The Utah Department of Workforce Services provides employment information on a county basis.
Syracuse City is the fifth largest city in Davis County.

Source:

Department of Workforce Services website - <http://jobs.utah.gov>
Davis County Comprehensive Annual Financial Report 2017

SYRACUSE CITY
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Nine Fiscal Years

	Full-time Employees as of June 30								
Function / Programs	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	19	20	19	17	20	18	17	17	17
Public safety									
Firefighters	12	12	12	12	12	12	11	11	11
Police									
Officers	24	21	19	20	15	18	19	19	18
Civilians	2	2	2	2	2	2	2	2	2
Highways and public improvements	17	16	16	15	14	13	14	13	12
Parks & Recreation	10	9	7	5	5	6	6	7	8
Total	84	80	75	71	68	69	69	69	68

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

Sources:

Payroll departmental data

SYRACUSE CITY
OPERATING INDICATORS BY FUNCTION
Last Nine Fiscal Years

Function	Fiscal Year								
	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police									
Total incidents ¹	16,041	14,905	17,158	14,320	12,085	7,628	7,821	7,698	6,641
Citations written	1,428	1,423	1,430	1,677	1,773	2,023	1,871	2,614	2,105
Total violations included on citations	2,329	2,077	1,963	2,406	2,441	2,780	2,781	3,335	2,756
Theft incidents	242	252	270	291	218	213	195	258	364
Assault incidents	68	86	79	77	83	96	104	126	215
Fire									
Number of calls dispatched	987	1002	982	910	805	743	817	850	764
Streets									
Street sweeping:									
Miles	1665	1005	1180	775	812	784	705	627	1,919
Hours	560	358	438	291	291	257	213	211	509
Water									
Service connections	8184	7853	7540	7330	7184	6863	6,683	6,608	6,534
Average daily consumption (gallons)	1,768,077	1,730,984	1,661,331	1,930,000	1,928,000	1,705,000	1,603,580	1,634,638	1,402,504
Recreation									
Community center memberships	760	932	924	998	1,172	1,929	1,328	1,261	852
Recreation program participants ²	5957	5,520	4,709	4,014	4,105	4,090	4,218	4,134	3,998

Notes:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ For 2015 & 2014, incidents included all actions for police officers, including items that did not receive an incident number.

² In 2017, new programs were added including youth art classes, senior art classes, flag football, and additional summer programs.

Sources:

Various City departmental data

SYRACUSE CITY
CAPITAL STATISTICS BY FUNCTION
Last Nine Fiscal Years

Function	Fiscal Year								
	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	12	11	11	11	11	10	10	10	10
Fire									
Stations	1	1	1	1	1	1	1	1	1
Streets									
Streets (miles) ¹	104	103	98	97	96	96	94	97	97
Streetlights ²	965	901	863	846	815	722	720	395	341
Parks and recreation									
Community centers	1	1	1	1	1	1	1	1	1
Parks	15	15	14	12	12	12	12	12	12
Park acreage ³	197	197	147	107	107	107	107	107	107
Trails (acreage)	31	31	29	29	29	29	29	29	29
Covered picnic areas	11	11	10	10	10	10	10	10	10
Baseball/Softball diamonds	5	5	5	4	4	4	4	4	4
Soccer fields	9	9	7	5	5	5	3	3	2
Tennis courts	2	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2	1

Notes:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ A complete road survey and analysis was performed in 2012 and it was determined that actual street miles were 94 instead of the 97 miles represented in prior years.

² Syracuse City purchased all of the street lights owned by Rocky Mountain Power in May 2012.

³ In 2016, park acreage also included detention basins used for sports and the equestrian park. In 2017, the City acquired 50 acres to the City for a future regional park.

Sources:

Various City departmental data

COMPLIANCE SECTION



KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and
Members of the City Council
City of Syracuse, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's basic financial statements, and have issued our report thereon dated November 6, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Syracuse, Utah's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Syracuse, Utah's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Syracuse, Utah's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 6, 2018



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Honorable Mayor and
Members of the City Council
City of Syracuse, Utah

Report on Compliance

We have audited the City of Syracuse's (the City) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2018.

State compliance requirements were tested for the year ended June 30, 2018 in the following areas:

Budgetary Compliance	URS Compliance
Justice Courts	Open and Public Meetings Act
Restricted Taxes and Related Revenues	Enterprise Fund Transfers, Reimbursements, Loans, and Services
Treasurer's Bond	Tax Levy Revenue Recognition
Fund Balance	

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance

In our opinion, the City of Syracuse complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report is on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah
November 6, 2018